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CONFIDENTIAL.

SUMMARY
OF THE
ADMINISTRATION
OF
THE EARL OF MINTO,
VICEROY AND GOVERNOR-GENERAL OF INDIA,
IN THE
DEPARTMENT OF COMMERCE & INDUSTRY.

NOVEMBER 1905 TO JULY 1910.



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SUMMARY
OF
LORD MINTO'S ADMINISTRATION
IN THE
DEPARTMENT OF COMMERCE AND INDUSTRY.

From November 1905 to July 1910.

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CHAPTER III.—Merchant Shipping, Ports, Port Dues and Pilotage and Lighting of Coasts.

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CHAPTER I.

PREFATORY.

During Lord Minto's tenure of the post of Viceroy the following officers have been in charge of the Department :—

MEMBERS OF THE EXECUTIVE COUNCIL.

The Hon'ble* Mr. John Prescott Hewett, C.S.I., C.I.E., to the 31st March 1906 ; and again from the 28th September to the 31st December 1906.

The Hon'ble Mr. James Fairbairn Finlay, C.S.I., from the 1st January 1907 to the 27th February 1908.

The Hon'ble Mr. William Leathem Harvey, C.I.E., from the 3rd July 1908 to the 24th March 1910.

(The Hon'ble Sir Charles Lewis Tupper, K.C.I.E., C.S.I., officiated from the 2nd April to the 27th September 1906.)

(The Hon'ble Mr. William Leathem Harvey, C.I.E., officiated from the 5th March to the 2nd July 1908.)

(The Hon'ble Mr. Benjamin Robertson, C.S.I., C.I.E., officiated from the 25th March 1910.)

SECRETARIES.

Mr. W. L Harvey, C.I.E., to the 2nd July 1908.

Mr. B. Robertson, C.S.I., C.I.E., from the 3rd July 1908 (also officiated from the 16th February to the 9th November 1907 ; and from the 16th March to the 2nd July 1908).

(Mr. W. Maxwell, C.I.E., officiated from the 3rd December 1909 to the 2nd March 1910 ; and from the 25th March 1910.)

The following officers have held the appointments of Under and Assistant Secretary.

UNDER SECRETARIES.

Mr. J. Campbell, to the 28th July 1908.

Mr. G. Rainy, from the 8th May 1906 to the 13th August 1909 (also officiated from the 5th April to the 7th May 1906).

Mr. M. M. S. Gubbay, from the 29th July 1908 to the 11th February 1910 (also officiated from the 19th June 1906 to the 28th July 1908).

Mr. A. H. Ley, from the 17th August 1909.

Mr. A. C McWatters, from the 12th February 1910.

(Mr. F. W. Kennaway, officiated from the 25th May to the 18th June 1906.)

* Now Sir John Prescott Hewett, K.C.S.I., C.I.E.

(Mr. H. C. Gowan, officiated from the 30th July to the 30th October 1908.)

SECRETARIES UNDER THE INVENTIONS AND DESIGNS ACT OF 1888, AND *ex-officio* ASSISTANT SECRETARIES.

Mr. H. G. Graves.

(Mr. P. J. Brühl, officiated from the 18th July to the 15th October 1907.)

(Mr. J. C. Shields, officiated from the 9th May to the 13th June 1909.)

(Mr. J. W. Meares, officiated from the 21st April 1910.)

CHAPTER II.

COMMERCE AND TRADE, INDUSTRIES INDUSTRIAL EXHIBITIONS AND
STATISTICS.*Commerce and Trade.*

The genesis of the Commercial Intelligence Department and the general principles which governed its formation, belong to the history of Lord Curzon's administration, but the working out of the details of the scheme was still incomplete when he left India, and these may be dealt with here.

The proposals of the Government of India regarding the co-operation of the new Department with the Board of Trade in the collection and dissemination of commercial intelligence regarding India were laid before the Secretary of State in the beginning of March 1906. It was pointed out that, owing to the political connection between India and the United Kingdom, all legislative measures of any importance, and any change in India's fiscal or financial policy, required the previous sanction of the Secretary of State, and that copies of all periodical and special reports were forwarded to the India Office on publication. The commercial information thus transmitted was no doubt communicated to the Board of Trade, but it was understood that it had been found inadequate and required to be supplemented. The character of the information, which could be advantageously supplied, was, however, absolutely conditioned by the necessity for regarding the interests of Indian trade and of Indian merchants as paramount. It was essential that no information should be supplied to the Board of Trade which would place British traders in a position of advantage relative to merchants and producers in India. Subject to this general limitation—which was necessary in order to retain the confidence of Indian merchants—information would be freely supplied. The following suggestions were made to this end :—

- (a) With the approval of the Secretary of State two advance copies of all Indian reports and returns of commercial interest, whether Imperial or Provincial, would, whenever feasible, be forwarded direct to the India Office and to the Commercial Intelligence Branch of the Board of Trade by the authority under whose orders they were compiled.
- (b) Two copies of *The Indian Trade Journal* (referred to in a subsequent paragraph) would be forwarded direct to the Commercial Intelligence Branch of the Board of Trade at the same time that copies were sent to the India Office.
- (c) All enquiries which could not be answered by the Commercial Intelligence Branch of the Board of Trade with the help of information thus supplied, would be referred to the Director General, Commercial Intelligence, who would answer them as expeditiously as possible and would freely supply all information at his disposal, subject to the limitation already mentioned. The Director-General would also reply, as far as possible, to enquiries addressed to him by individual merchants.

The opportunity was taken to ask for the assistance of His Majesty's Government in obtaining commercial information pertaining to foreign markets through their Consular representatives. It had previously been decided that the editing of Consular Trade Reports must remain under the control of the British Foreign Office, but it was suggested that their issue might be materially expedited by instructions that Consuls should abstain from including any information of a political character in these reports. It was also requested that British Consular Officials should be authorised to reply direct to all specific enquiries on commercial questions made by the Director-General, Commercial Intelligence. The above suggestions were approved generally by His Majesty's Government.

The Director-General of Commercial Intelligence was also authorised to arrange for direct telegraphic communication with the Board by means of a commercial code, which merchants and others will be allowed to use for the purpose of obtaining commercial information from England on depositing an amount sufficient to cover the cost of the telegram and its reply.

Indian Trade Journal.
Co-operation with
Colonial Governments.

It was intended, when the Commercial Intelligence Department was formed, that a Departmental Journal should be one of the channels through which the information collected should be made accessible to the public. The style, general contents and title of the Journal were settled after much discussion, and the first number of *The Indian Trade Journal* appeared on the 5th April 1906.

On the same date a letter was issued to the more important Colonial Governments informing them of the establishment of the Commercial Intelligence Department and the functions it was expected to perform. They were asked to co-operate with the Director-General, Commercial Intelligence, in the interchange of suggestions and information regarding commercial matters, and particularly as to articles in which a trade between India and the Colonies might be created. The Chambers of Commerce and other Commercial bodies in these colonies were at the same time invited to establish direct relations with the Commercial Intelligence Department and to supply and to ask for information.

Insertion of trade
introductions" in *The
Indian Trade Journal*.

In connection with the issue of the *The Indian Trade Journal*, it was considered that the new Department of Commercial Intelligence might reasonably be expected to furnish some system of trade introductions through the medium of the *Journal*. Under this system, the names of foreign enquirers and of Indian merchants who were prepared to respond to their enquiries, would be published, but the latter would not be recommended or guaranteed in any way by Government, although the fact that only the names of such merchants as are members of a recognised Chamber of Commerce or Association would be published, would afford some evidence of their trustworthiness. Objections were raised to the proposal by certain of the Chambers of Commerce. It was claimed that reliable firms either in India or abroad find no difficulty in obtaining business introductions through their bankers or correspondents, and the opinion was expressed that no advantage would accrue except to small firms who sought to undermine the business of well-known and established European houses. The Government of India informed the Chambers that they were not convinced that the proposal, which had been fully weighed before it was put forward, should be withdrawn, and drew their attention to the fact that the Commercial Intelligence Branch of the Board of Trade supplies to British traders "lists of firms

abroad engaged in particular lines of business in different localities," and that the procedure which it was proposed to follow in *The Indian Trade Journal* went one step further and would supply lists of firms at both ends of a possible business connection instead of at one end only. It was added that direct connections between Indian merchants and traders outside India would be established, only in such cases as were of advantage to the individuals concerned, and that the Government of India did not see why this procedure should not be beneficial to Indian trade in general.

The office establishment of the old Statistical Department, which became the Commercial Intelligence Department in 1905, was reorganised in 1906 with the approval of the Secretary of State.

Office of the Director-General of Commercial Intelligence.

The attention of the Government of India was directed during Lord Curzon's Viceroyalty to the adulteration of wheat exported from India. A consideration of the replies received from the leading Chambers of Commerce who were consulted in the matter led to the conclusion that, though the system of cultivation and the methods of preparation for the market involved a certain amount of impurity, the greater portion of the foreign substances found in Indian wheat was deliberately introduced by dealers or shippers, who were forced to this practice by the existing system of purchase on a fixed basis of refraction. English buyers refuse to pay higher prices for comparatively clean wheat, and the English market is consequently supplied with wheat containing the maximum permissible percentage of impurities. The remedy for the evil clearly lies in the hands of the buyers. The Government of India were of opinion that legislative measures framed with the object of checking preventable adulteration in India would seriously hamper trade, and would probably prove ineffectual as a practical remedy. It was thought, however, that some improvement might be effected if the Government of India were to state authoritatively that wheat containing not more than 2 per cent of impurities could be regularly supplied from India on equitable terms of purchase. It was hoped that this measure would strengthen the position of a certain section of the English buyers by making the position of India in the matter clear. Before any definite announcement could be made, however, it was considered necessary to obtain an explicit statement from the trade as to the basis of refraction on which Indian wheat can actually be supplied, and the opinions of the public bodies concerned were invited through the several Local Governments interested in the matter. The replies indicated a general agreement on the part of the trade that the above announcement could safely be made. The Government of India accordingly issued a Resolution to this effect in November 1906. The action taken by the Government of India was appreciated by home buyers, and contracts are now made for the supply of East Indian wheat on the following terms :—

Adulteration of wheat exported from India.

- (1) any percentage of barley, pulse and other feeding stuffs up to 2 per cent to be taken and paid for as wheat ;
- (2) any quantity in excess of 2 per cent to be allowed for by the seller at one half contract price ;
- (3) any percentage of dirt, non-farinaceous seeds or other extraneous matter up to $2\frac{1}{4}$ per cent to be allowed for by the seller at contract price, and any quantity in excess of $2\frac{1}{4}$ per cent at double contract price.

Fraudulent watering of jute.

In November 1905 the Dundee Chamber of Commerce complained to the Secretary of State with regard to the excessively wet condition of the jute crop of 1905-06, which could, in their opinion, be attributed only to fraudulent watering, and they urged that the Government of India should be moved to undertake legislation to put a stop to the practice. In December the London Jute Association confirmed the statements made by the Dundee Chamber and supported their demand for legislation. Copies of these representations were forwarded in January 1906 by the Secretary of State, who asked for the views of the Government of India on the questions raised. The Government of India called for a report on the subject from the Governments of Bengal and of Eastern Bengal and Assam, and their replies were received in January 1907. The conclusion at which these Governments arrived, after careful consideration of the question in consultation with each other, was that they were unable to recommend legislation as a cure for the evil. They considered that the remedy rested principally in the hands of the buyers themselves. In view, however, of the danger which exists in the shipment and carriage by sea of watered jute, both Governments were of opinion that some action was necessary to prevent the export of adulterated jute. In this connection enquiries were made from the Government of New Zealand as to the measures which that Government had adopted to check the export of adulterated flax. On receipt of this information from the Government of New Zealand, the local Chambers of Commerce and the Jute Associations in the two Bengals were consulted as to whether legislation on the lines of the New Zealand regulations would be desirable or whether any other measures of a similar nature to regulate the exportation of jute could be suggested.

The replies received showed that those bodies were opposed to legislation on the lines proposed, and as they had no alternative measure to suggest, it was decided to take no further action in the matter and the India Office was informed accordingly.

Tea trade with Afghanistan and

Reference was made, at page 15 of the Summary of the administration of Lord Curzon in this Department from March to November 1905, to an application of the Indian Tea Cess Committee for Government assistance in working out a feasible scheme for the grant of a bonus of 9 pies per pound, to be paid out of Tea Cess funds, on exports of green tea to Afghanistan. The Government of India forwarded a copy of the Committee's letter to the Chief Commissioner of the North-West Frontier Province, and outlined a procedure for adoption in checking exports of green tea across the border, and in verifying claims for the grant of the bonus offered by the Committee. The scheme was considered practicable by that officer, and the Committee were also willing to accept it, and to pay the bonus upon claims submitted in accordance with its provisions. The planters in the United Provinces and the Punjab, however, whom the bonus was designed to benefit, were not prepared to accept the scheme, on the ground that it would not assist them, as the planters themselves did not export the teas, but either sold their produce on the gardens to native dealers, who were believed to send it across the border into the trans-frontier countries, or consigned it to dealers at Peshawar or Quetta or some other exporting point. No scheme for checking the exports at the frontier would, therefore, be of any value to the planters. It would mean that the bonus would be claimed by the dealers. In these circumstances it was subse-

quently decided by the Committee that no further action could be taken at present, but the Committee thanked the Government of India for the assistance which had been given. They added that they had decided to assist the trade with Tibet by the grant of a bonus at 9 pies per pound on 30,000 pounds of tea to be exported to that country.

In June 1906, the Indian Tea Association drew attention to their previous representation on the subject of the restrictions on the blending of Indian and Ceylon teas at Colombo. This representation, as will be seen from page 13 of the Summary of the Administration of Lord Curzon in this Department from March to November 1905, proved ineffectual in spite of the support accorded to it by the Government of India. It was now suggested that the matter should be referred to the Secretary of State for India with a view to its being taken up with the Secretary of State for the Colonies. The Government of India, in forwarding a copy of the Association's representation to the Secretary of State for India, asked that the Secretary of State for the Colonies might be approached on the subject. The result has, however, again been disappointing. His Majesty's Government intimated that the question of removing the restrictions on the import of Indian teas into Ceylon for purposes of blending could not conveniently be re-opened at present, but that it would not be overlooked if an opportunity offered. The Indian Tea Association were informed accordingly. A further representation on the subject was received from the same body in July 1907. In forwarding this representation to the Secretary of State for the consideration of the Colonial Office, the Government of India, while they did not urge the abolition of the duty, if its maintenance was regarded as necessary by the Colonial Government, expressed the hope that it might be possible to arrange with the Government of Ceylon for the introduction at Colombo of the same facilities for blending tea in bond as are permitted by the British Warehousing Code. The efforts of the Government of India, however, again proved unsuccessful. The Governor of Ceylon, after consulting the local commercial bodies, expressed the opinion that the question was one which it was not advisable to re-open at any rate for the present, and in the circumstances His Majesty's Government were not prepared to take any steps in the matter.

In September 1908 a representation from the United Planters' Association of Southern India was received suggesting that the Indian import duty on Ceylon tea should be raised to a protective rate. The proposal that, in the event of the Ceylon Government refusing to exempt Indian tea from the existing import duty of 4 annas per pound, the Government of India should retaliate by imposing an equal tax on Ceylon tea imported into India, had been put forward on three previous occasions and had been rejected by the Government of India on each occasion as a suggestion which could not in any case be entertained. The Government of Madras were asked to inform the United Planters' Association accordingly. A further representation from the same body was received, through the Local Government in November 1909, and was replied to on the same lines.

The efforts which were made during 1905-06 to obtain the removal of the Russian surtax on Indian and Ceylon tea did not meet with success. The tax was, however, eventually abolished by the Russian Government in 1908 in connection with their accession to the Brussels Sugar Convention.

Continuance in force for a further period of 5 years of the Tea Cess.

On the recommendation of the Tea Cess Committee, and after consultation with the Cochin and Travancore Durbars, the Government of India notified, on the 31st December 1907, the extension of the operation of sections 2 to 7 of the Indian Tea Cess Act of 1903 for a further period of five years from the 31st March 1908.

Proposed levy of a cess on exported indigo.

In July 1907, a memorial was received from the Behar Planters' Association requesting that a cess at the rate of Re. 1 per maund might be levied for a period of three years on all natural indigo exported from British India, the proceeds to be devoted to increasing the sale of natural indigo. This proposal was referred to the Governments of Madras, the Punjab and the United Provinces. The replies received disclosed serious opposition from the representatives of the industry in those provinces, aggregating nearly forty per cent of the total indigo export trade of India, and in these circumstances the Government of India declined to accede to the request of the Behar Planters' Association.

Proposed levy of a cess of three pence per cwt. on all coffee exported from British India.

In March 1909, the Government of Madras forwarded a memorial from the United Planters' Association of Southern India praying for the levy of a cess, on lines similar to the tea cess noticed above, of three pence per cwt. on all coffee exported from British India. The proposed cess, which it was estimated would yield annually about £3,750, was to be devoted to extending the consumption of coffee as a beverage. The Association represented that the rapid extension of coffee planting in Brazil had caused over-production and a forcing down of prices which seriously affected the Indian planters, and they expressed the hope that with temporary aid coffee planting in India could be re-established on a profitable basis. The proposal, however, was not supported by the Local Government and after careful consideration the Government of India found themselves unable to sanction it. Among other objections to the proposed cess it was pointed out that the revenue which would be obtained thereby was too small to serve any useful purpose. In October 1909, the Government of India received a further memorial from the Association which was submitted by the Local Government without comment. No action has been taken by the Government of India on this second memorial as a further reference on the subject has been promised by the Government of Madras.

Probable enhancement of the duty on jute goods imported into the United States.

In September 1905 the Indian Jute Mills' Association approached the Government of India with regard to an enhancement, which they believed to be probable, in the import duty levied on manufactured jute goods by the United States of America and asked that, if the increase were made, a countervailing duty might be imposed on raw jute exported to America. Enquiries from His Majesty's Government elicited the fact that it was improbable that any revision of the United States' tariff would be undertaken by the Congress sitting in December 1905. The examination of the proposal in this Department showed clearly that a tariff war with the United States would be highly prejudicial to Indian interests, and that discrimination between raw jute intended for the United States of America and the exports to other places was quite impossible. The Association was accordingly informed that the Government of India had no reason to believe that the United States authorities contemplated any enhancement of the tariff on jute goods, and that they did not propose to consider the suggestion made by the Association.

In June 1909, the Secretary of State asked for the views of the Government of India as to the advisability, or otherwise, of the adhesion of India to the Berne International Convention of 1906. The object of the Convention was to prohibit the use of white (yellow) phosphorus in the manufacture of matches, in order to eliminate absolutely the chance of a very painful disease called "necrosis" or "phossy jaw" occurring among the operatives. The United Kingdom and certain other important match-making countries in Europe had adhered to the Convention and had by special legislation prohibited in their respective countries the manufacture, importation and sale of matches containing white (yellow) phosphorus.

Question of the adhesion of India to the Berne International Convention of 1906, prohibiting the use of white (yellow) phosphorus in the manufacture of matches.

The Government of India after consulting the Government of Bombay and the Central Provinces Administration, in which provinces all the existing match factories in India are situated, were of opinion that from the point of view of the public health it was not necessary or desirable for India to become a party to the Convention and to undertake legislation on the lines of the White Phosphorous Matches Prohibition Act, 1908 (8 Edward 7, Chapter 41). The Secretary of State was informed accordingly.

In connection with the Colonial Conference which assembled in London in April 1907, the Board of Trade prepared a memorandum on the subject of the procedure to be adopted in the negotiation of commercial treaties and the adherence of British Colonies and Possessions thereto. A copy of a general form of treaty which would in most circumstances be put forward as a basis of negotiation, was forwarded in November 1906 by His Majesty's Government, and the views of the Government of India were invited in regard to it. It was observed from the correspondence received that the approval of the Government of India, in principle, of the form of the articles in the general form of treaty would in no way be considered as limiting or prejudicing their action in respect of any particular treaty negotiation. The Government of India, after careful consideration, suggested certain modifications in some of the articles in order to render the form acceptable to India.

Model form of treaties of commerce and navigation to be negotiated by His Majesty's Government.

In October 1906, the Bombay Millowners' Association represented that they had reason to believe that Japan, while avowing the policy of the open door in Manchuria, was practically fostering its own trade at the expense of its competitors. The Association based their representation on the fact that the increase in stocks of Indian yarn at Shanghai and Hongkong indicated that the flow of trade northwards to Manchuria was not normal. Private advices, it was represented, confirmed the suspicion that the Indian yarn-trade with Manchuria was handicapped to the advantage of Japanese traders. They therefore urged on the Government of India the necessity for watchfulness in the matter, and asked that enquiries should be set on foot through His Majesty's representatives at Peking and in Manchuria. The Government of India informed the Association that they were alive to the situation and to the necessity for watchfulness, but that they, like the Association, had no evidence of any such acts on the part of the Japanese Government or merchants as would afford ground for effective action or representation. They were, however, prepared to consider any such evidence, should the Association be in a position to substantiate it, as well as any practicable suggestions for the amelioration of the position. A copy of the correspondence was forwarded to the India Office for the information of the Secretary of State.

Japanese competition in the yarn trade with Manchuria.

Tariff treatment
of Indian indigo in
Japan.

The customs treatment of indigo in Japan was the subject of correspondence between the Governments of Great Britain, Japan and India from 1903 onwards, and the final result of the negotiations was received by the Government of India in March 1906. Since the conclusion of the Indo-Japanese Convention of 1905 both synthetic and natural indigo are subject to the same specific duty, but the incidence of the duty is lower in the case of the artificial product which contains a larger proportion of colouring matter. In June 1905 the British Ambassador sounded the Japanese Government with regard to the adoption of a colorimetric test by which the value of the natural and artificial dyes would be differentiated, but no formal proposals were made, because it was understood that they would be met by counter proposals for a revision of other items in the treaty of commerce of 1895 between Great Britain and Japan. Another proposal to exclude artificial indigo from the tariff heading "dry indigo" and to treat it under some other heading subjecting it to a 10 per cent *ad valorem* rate, met with no better success. The failure of the negotiations, however disappointing, was not unanticipated, and, until the revision of the existing treaties of commerce with Germany and Great Britain offers an opportunity for further negotiations, nothing can be done to redress the grievance.

Proposed preferential treatment of goods imported into Japan from Corea and its effect on Indian exports to Japan.

In connection with the proposed customs union between Japan and Corea under the terms of which Corean imports into Japan would be accorded a preferential tariff treatment, the Secretary of State asked, in May 1910, for the views of the Government of India on the effect which the proposed Union was likely to have on the export trade of India with Japan. In reply the Secretary of State was informed that Japan's preferential treatment of Corean products would not have serious effect on Indian trade. The only article exported from India to Japan which competed with Corean products was rice. The import, however, of rice to Japan was already diminishing steadily and would probably soon become inconsiderable owing to Japan's efforts to become independent of foreign supplies of this commodity. The attention of the Secretary of State was also drawn to the Indo-Japanese Commercial Convention of 1905 which provides that articles of Indian produce or manufacture shall be accorded most-favoured-nation treatment on importation into Japan.

French import duties on Indian goods.

Reference was made on page 14 of the Summary of Lord Curzon's administration in this Department from March to November 1905, to a proposal made in 1905 by the Government of India, at the suggestion of the Secretary of State, to secure most-favoured-nation treatment in France for Indian goods imported into that country. With reference to the despatch on the subject the Secretary of State forwarded in August 1903 copies of certain correspondence between His Majesty's Government and the Government of the French Republic, from which it appeared that the latter were not prepared to accord any fiscal concessions to Indian goods except in return for corresponding concessions to be granted in India to French goods. As the Government of India were not in a position to offer any special concessions to French goods imported into India, it was decided to drop the proposal. In July 1909, however, a copy of further correspondence was received from His Majesty's Government showing that the question of the application of the minimum import tariff to petroleum products of Indian origin had been raised with the French Government. It was stated that there would be no objection on the part of the French Government to their minimum tariff being applied to petroleum oils from India, provided that certain concessions

were made in the case of French wines and silks imported into India. The concessions asked for by the French Government involved an annual loss of about £38,000 to Indian revenues, an amount which was out of all proportion to the benefit to be derived from the admission of Indian petroleum into France at the minimum tariff rates. The Secretary of State was informed that the Government of India did not desire to pursue the matter further.

In February 1906, His Majesty's Government forwarded, for the consideration of the Government of India, copies of correspondence relative to the Anglo-Roumanian treaty of commerce signed at Bucharest on the 31st October 1905, and asked to be informed whether it was desired that India should adhere to the treaty, and whether it was considered necessary that the declaration appended to it would require to be further supplemented by a declaration in respect of India. The Government of India, after consideration of the question, informed His Majesty's Government that they did not desire to adhere to the treaty, as clause 2 of Article 17 secured most-favoured-nation treatment to Indian products and manufactures in any case.

Anglo Roumanian Treaty.

His Majesty's Government, in July 1906, opened negotiations with the Government of Spain for a new commercial treaty, and the Government of India were asked in this connection whether they had any modifications to propose in the proposed Spanish Customs Tariff. The direct trade of India with Spain is not important, and it was found that reductions had already been made in the minimum tariff rates—to which India is entitled—on most of the articles exported from India to Spain. As to the surtaxes to be imposed on Colonial produce imported *viâ* European ports, the Government of India suggested that the concessions granted to cotton, jute and untanned hides should be extended to indigo, cinnamon, cloves, pepper and tea.

Spanish Tariff.

Two commercial agreements with Serbia and with Bulgaria were entered into during the year 1907 by His Majesty's Government on behalf of the United Kingdom. Both agreements contained a clause providing for the adhesion of India, but the Government of India decided that in neither case was the formal accession of India necessary, since both Conventions secure to Indian goods complete most-favoured-nation treatment, so long as similar treatment is accorded to Servian and Bulgarian goods in India.

Non-adherence of India to the Anglo-Servian Treaty of Commerce and Navigation and to the Anglo-Bulgarian Convention.

In March 1907, the Government of India received from the Secretary of State a copy of the Customs Tariff (British Preference) Bill, 1906, passed by the Australian Commonwealth Parliament, but reserved for the signification of His Majesty's pleasure, under the provisions of which preference was given to goods the produce or manufacture of the United Kingdom, imported direct into Australia in British ships manned exclusively by white seamen. It was pointed out in reply to the Secretary of State that, as the schedule appended to the Bill excluded practically all Indian exports to Australia, the preference accorded would be of little value to India, and that any advantage that might accrue by the extension to India of the preferential terms accorded by the Bill would in any case be nullified if the condition as to white seamen were imposed.

The Australian Commonwealth "Custom Tariff (British Preference) Bill, 1906."

In May 1908 His Majesty's Secretary of State forwarded a copy of a letter from the Board of Trade on the subject of the position of British Companies in German Protectorates and asked for the views of the Government of India as to the position which they would prefer to adopt in relation to a proposed fresh agreement with Germany concerning the mutual recognition of

Proposed agreement between the United Kingdom and Germany concerning the mutual recognition of Joint Stock and other commercial, industrial and financial Companies.

Joint Stock and other companies. It was stated in the Board's letter that the position of British Joint Stock and other companies doing business in Germany is at present governed by the Anglo-German Declaration of 1874 which secures to the companies of each country in the dominions of the other the same recognition as that provided for in the German-Dutch Treaty of February 1907. The Board mentioned, however, that the German Government were of opinion that, in view of the non-existence of any German Protectorates in 1874, the Declaration would not be considered as according to British Companies the rights now accorded to Dutch Companies in such Protectorates by Article 3 of the German Dutch Treaty, but that the above Government were willing, if His Majesty's Government desired it, to come to a fresh agreement covering the whole ground of the position of British and German Joint Stock Companies in Germany and British territories respectively. In this connection the Board suggested to His Majesty's Government that steps might be taken to ascertain the views of the Government of India as to whether there would be any objection on their part to the conclusion of a new agreement between the United Kingdom and Germany similar to the German-Dutch Treaty, or whether they would prefer that such an agreement should contain a clause specially reserving to India the privilege of separate adhesion and withdrawal. In August 1905, the Government of India informed His Majesty's Government that they were strongly of opinion that India should have the right of separate adhesion and withdrawal from the proposed Treaty, but that for the present they did not contemplate adhesion in view of the unlikelihood of any Indian Joint Stock Companies being desirous of conducting operations in Germany or in German Colonies. In February 1909 His Majesty's Government intimated that it had ultimately been decided that in place of negotiating a new agreement the case might be met by a Declaration supplementary to the Anglo-German Declaration of 1874 extending the terms of that instrument to Protectorates and Consular Court Districts. From the point of view of Indian interests there appeared to be no objection to such a course.

Bill to amend the Indian Companies Act, 1882, so as to permit (1) the payment of dividends out of capital during construction and (2) Joint Stock Companies to re-issue and keep alive debentures in certain circumstances.

Under the provisions of the Indian Railway Companies Act, 1895 (X of 1895), a Railway Company is empowered to pay interest out of capital during construction, and this privilege was extended by the Indian Tramways Act, 1902 (IV of 1902), to companies formed for the construction of tramways not differing in structure and working from light railways. In November 1908, the Government of India received a representation from Messrs. D.J. and R.J. Tata, who are the licensees under the Bombay Hydro-electric License issued by the Government of Bombay, asking that the concession granted to railway and tramway companies might be extended to a company which they proposed to form to take over and work the above license. A similar application was made by the same firm as Agents for the Tata Iron and Steel Co., Limited, which was registered in Bombay in August 1907 with a nominal capital of Rs. 2,31,75,000.

It was pointed out that though the construction of the new company's works at Kalimati in the Central Provinces had been pressed forward, the Company could not be expected to earn profits for several years, and that the payment of dividends out of capital during construction was necessary to prevent the depreciation of the shares. These applications were supported by the Local Government who pointed out in the former case that the proposed company

would require a capital of probably between $1\frac{1}{2}$ and 2 millions sterling to carry the electrical scheme to completion; that the construction of the necessary works would take some years; and that it would be difficult, if not impossible, to raise the capital unless interest could be paid out of the capital during construction.

The recommendation of the Government of Bombay was accepted by the Government of India who decided, with the approval of His Majesty's Government, to amend the Indian Companies Act, 1882 (VI of 1882), on the lines of section 91 of the English Companies (Consolidation) Act, 1908 (8 Edward 7, Chapter 69).

Opportunity was at the same time taken by the Government of India to introduce, at the suggestion of the Bombay and Madras Chambers of Commerce, a further amendment in the Indian Act on the lines of section 104 of the English Act empowering Joint Stock Companies to re-issue and keep alive their debentures in certain circumstances. In view of the urgency of these amendments the Government of India considered it desirable to proceed with them in anticipation of the general revision of the Indian Companies Act on the model of the English Companies (Consolidation) Act, 1908, and the new Bill relating to the above amendments was passed into law on the 25th February 1910.

The Government of India received from the India Office, in March 1902, a copy of correspondence regarding the revision of the rules in the United Kingdom as to the registration of Companies under titles including such words as "Imperial," "Royal," etc., which might be taken to imply Royal or Government support or patronage. Enquiries were made from all Local Governments and Administrations whether, if no local rules existed on the subject, it would be desirable or possible to make a regulation under the Indian Companies Act similar to that ordered by the English Home Office. Although in some provinces it was reported that there was no actual or immediate necessity for the application of a rule of this nature, the general opinion of the Governments consulted favoured the undertaking of special legislation for the purpose of controlling the registration of such Companies. After careful consideration of the question, however, the Government of India arrived at the conclusion that there was no immediate necessity for legislation and the India Office was informed that they did not for the present propose to undertake it. At the same time, however, it was decided that the matter should be further considered in connection with the proposed revision of the Indian Companies Act, 1882.

Suggestions have, from time to time, been received by the Government of India for the amendment of the Indian Companies Act, 1882 (VI of 1882), but for various reasons action in this direction was postponed. The English Companies Law having been consolidated in 1908, the Government of India decided that the opportunity should be taken to amend the Indian Act on the lines of the new English Act. With this object in view they asked the Local Governments and Administrations in June 1909 for their opinions as to the suitability of the provisions of the English Act for adoption in India; and also requested them to invite suggestions for any amendments of the Indian Act, not falling within the provisions of the English Act, which might be considered of importance.

Proposed legislation for the purpose of controlling the registration of Companies under titles including such words as "Imperial," "Royal," etc.

Proposed revision and consolidation of the Indian Companies Act, 1882 (VI of 1882).

Proposed legisla-
tion in India in res-
pect of Life Assur-
ance Companies on
the lines of the Eng-
lish Life Assurance
Companies Act, 1870.

In August 1907, His Majesty's Secretary of State for India forwarded, for the consideration of the Government of India, a letter received through the Board of Trade from the Associated Scottish Life Assurance Offices urging the expediency of undertaking legislation in India on the lines of the English Life Assurance Companies Act, 1870. The question was referred to Local Governments and Administrations for an expression of their views. The replies which were received showed that all the authorities consulted considered that the legislation proposed should be undertaken, and also that there was a large body of public opinion in favour of the proposal. When the question came to be considered in detail, however, it was realised that many difficulties existed in adapting the English law to Indian conditions. The English law of Life Assurance had in the meantime been consolidated and extended with modifications to other forms of assurance companies in the Assurance Companies Act of 1909. The question was further considered in communication with Life Assurance experts at Calcutta and Bombay, and it was eventually decided to proceed with legislation. A draft Bill is now under preparation.

Proposed legisla-
tion for the control
of Provident Insur-
ance Societies in
India.

In 1909 the Government of Madras called the attention of the Government of India to the existence in that Presidency of a large number of Companies or Societies which, without being Life Assurance Companies in the proper sense or proceeding on recognised principles with the aid of actuarial data, undertook assurances on human life or insurances on incidents such as births or marriages. It was decided to undertake legislation to control these Societies in India generally and the form which such legislation is to take is now under consideration in connection with the parallel case of the Life Assurance Companies.

Industries.

Provincial surveys
of indigenous indus-
tries.

In his speech during the discussion of the Financial Statement for 1906-07, Sir J. P. Hewett put forward a suggestion that the various Local Governments should undertake a survey of the state of the indigenous industries within the areas of their jurisdiction. It was ascertained that the majority of the Local Governments were in favour of this suggestion being carried out, and a survey of local industries has been completed in Bengal, Eastern Bengal and Assam, the United Provinces, and the Central Provinces by Government officers who were placed on deputation for the purpose.

Industrial Con-
ferences.

A number of Industrial Conferences have been held during the period under review. The most important of the conferences held under the auspices of Provincial Governments were the United Provinces Industrial Conference of April 1907, and the Ootacamund Industrial Conference of September 1908, which discussed the directions in which industrial development and technical education might best be promoted in Madras.

Appointment of
Provincial Directors
or Superintendents of
Industries.

In several Provinces officers have been appointed under the title of Directors or Superintendents of Industries, to take charge of the development of indigenous industries. Appointments of this nature have been made in Bengal, the United Provinces, Madras, and Eastern Bengal and Assam.

Industrial develop-
ment of the country
illustrated by the
cotton, jute, and tea
industries.

Some idea of the industrial development of India during the period under review may be obtained from the following figures relating to three of the principal industries of the country. In 1905-06 there were 207 cotton spinning and weaving mills at work in India, with a capital of 15½ crores of rupees,

employing 212,720 persons. In 1908-09 there were 232 mills at work, with a capital of $19\frac{1}{2}$ crores, employing 235,987 persons. In the same period the number of looms had risen from 52,281 to 74,084, and the number of spindles from 5,293,834 to 5,945,122. The quantity of yarn produced in British Indian mills has exceeded 600 million lbs. in each of the four years ending 1908-09, while the production of woven goods in the same period has risen from $156\frac{1}{2}$ million lbs. to 184 million lbs.

The record of the jute industry has been one of uninterrupted progress. In 1905-06 there were 39 jute mills with a capital of 5 crores, employing 144,879 persons. In 1908-09 there were 52 mills, with a capital of $6\frac{3}{4}$ crores, employing 192,181 persons. The production of the mills has increased even more rapidly. In the quinquennium ending 1904-05 the average annual value of jute manufactures exported was 826.5 lakhs of rupees; in the following quinquennium it amounted to 1442.7 lakhs. Exports of raw jute also increased considerably during the same period.

As regards the tea industry, the area under tea in 1904 was 524,472 acres, and the production $221\frac{1}{2}$ million lbs. In 1909 the area was 555,305 acres and the production $262\frac{4}{5}$ million lbs.

In January 1906 the agents of the Bengal Iron and Steel Company represented to the Government of India that their steel works were being carried on at a heavy loss, that this was, in a large measure, due to the fact that they had obtained insufficient orders for standard sizes, on which the mills could be kept in constant work, and that unless some considerable change in the position took place they would have to close the steel works. The Government of India received this intimation with great regret and efforts were made by this Department, in consultation with the Public Works Department, the Railway Board and the Stores Committee, to ascertain how far regular orders of the kind required could be placed with the Company. Meanwhile the Company informed the Government of India that orders had been received from the Directors to close the works immediately, and to offer to transfer the works and staff on reasonable terms to Government, if they desired to conduct the business for experimental purposes. The Government of India considered it inexpedient to accept the offer, in view of the fact that Messrs. Tata and Sons were about to start steel works, and that the manufacture of steel by Government, even for experimental purposes, would be regarded as an interference with private enterprise.

The same Company, which had an agreement, made in 1896, with Government for the supply of 10,000 tons of pig iron and castings annually for ten years, applied to the Secretary of State for a renewal of the arrangement, and suggested that Government might undertake to take 18,000 tons a year, that the agreement should run for ten years and that the stipulated reduction of 5 per cent on English prices should be modified, since their manufactures were in no way inferior to similar English products. The Government of India decided not to renew the arrangement. The demand of State Railways for pig iron and castings had been considerably reduced by the introduction of wooden sleepers, and the Government of India also expected that before long another source of supply in the shape of the Tata Iron works would be available which would enter into competition with the Barakar works. The company subsequently

Closing of the
Steel Works at
Barakar.

Bengal Iron and
Steel Co.'s proposal
to renew the arrange-
ment for the supply
of pig iron and cast-
ings to Government
Departments.

requested that a standing order might be placed with them for the supply of pipes, fencing sockets, brake blocks and other castings. The Government of India were unable to accede to the request as such action would be a departure from their policy of encouraging competition among Indian manufacturers and would provoke complaint from other firms in India which were in a position to supply the articles. They also considered that it would not be convenient or economical to restrict the provision of the requirements of Local Governments and Administrations and Departments located in different parts of India to one central source of supply. The firm was advised to bring its manufactures to the notice of Local Governments.

Messrs. Tata and
Company's iron and
steel works.

In connection with the establishment by Messrs. Tata and Company of iron and steel works near Sini in Bengal, the Government of India, who were much interested in the success of this venture, agreed in 1906, to the following concessions being granted to the Company :—

- (1) a reduction of railway freights to $\frac{1}{15}$ pie per maund per mile ;
- (2) a guarantee for the annual purchase by Government of 20,000 tons of steel rails for a period of ten years from the date of first output, subject to the condition that the rails comply with the Government specification and that the prices do not compare unfavourably with imported rails ;
- (3) a promise for the purchase by Government of as much pig iron as possible, provided that the quality and price of the outturn are suitable ;
- (4) an undertaking to charge the ruling minimum railway freight rates in the case of finished articles not destined for export ; and
- (5) the construction of a railway on the 5 feet 6 inch gauge to connect the ore deposits of the Company at Gurumaishini with their works.

Hand-loom Weav-
ing in India.

After the Budget Debate of 1905, an enquiry into the history, status and prospects of the hand-loom weaving industry of India was initiated. The latest information on the subject was embodied in a note on "Hand-loom Weaving in India," copies of which were forwarded in October 1906 for the information of the various Local Governments and Administrations. The note merely described the measures which had been taken to improve the industry in recent years. These measures were treated with reference to (i) improvements in the mechanical processes, (ii) the technical instruction of weavers, and (iii) the amelioration of their financial position. As the whole question is essentially a local one, it was left to the Local Governments and Administrations to consider what further measures, if any, should be taken to extend the movement described in the note. In May 1907, copies of a supplementary note prepared by Mr. Alfred Chatterton, Director of Industrial and Technical Enquiries in the Madras Presidency, describing the progress made in the reorganisation of the hand-loom industry in that Presidency in the past twelve months, were also forwarded to the Local Governments and Administrations in continuation of the previous note.

Industrial Exhibitions.

In accordance with the policy followed in recent years the Government of India decided not to participate officially in the Milan, New Zealand, Franco-British, Brussels, Turin, Rome and Japan-British Exhibitions. In the case of the Franco-British Exhibition the Secretary of State urged, however, that the abstention of India from the Exhibition, in which the Colonies were taking part, would produce a very bad effect, and the Government of India ultimately agreed to the grant of a sum not exceeding £15,000 to a Committee formed for the purpose of assisting the exhibition of products of Indian indigenous and artistic industries. The Government of India also assisted the Committee in collecting administrative exhibits which could be procured readily and without much expense.

The Government of India would have been prepared, however, to depart from their usual policy in the case of the Mining Exhibition held at Olympia in July 1908, if they had received sufficient notice, in view of the fact that the mineral industries of India were showing signs of extraordinary progress and that it was desirable to excite as much interest in them as possible. In the circumstances, however, it was only possible to send a small exhibit of geological maps. Mr. Hayden of the Geological Survey was deputed to take charge of the exhibits, to attend the Exhibition, to answer enquiries relating to the Mining industry and to prepare a report on it with reference to Indian requirements. His report has been published in the "Transactions of the Mining and Geological Institute of India." A Provincial industrial exhibition was held at Nagpur in the Central Provinces in 1908, and in the present year preparations are being made for an exhibition on a large scale at Allahabad in the United Provinces.

Statistics.

The Committee on Indian Trade Statistics was appointed during Lord Curzon's administration, and their report was submitted in August 1905. The examination of the report in this Department was concluded in March 1906, and a Resolution was published approving generally of their recommendations, while certain subsidiary matters were reserved for subsequent disposal.

Report of the
Committee on Indian
Trade Statistics.

An important change has been made in the system under which the statistics are compiled. Hitherto the practice has been to register, in the case of imports, the port from which the goods were shipped direct to India, and this, when transshipment took place, meant the place of transshipment and not the original port of despatch, except in the case of goods received on a through bill of lading. Similarly, in the case of exports the place of final discharge from shipboard was usually registered as the destination of the goods. The result of this system was to vitiate the statistics to a large extent. In particular it was evident that the trade recorded with large distributing ports, such as Colombo, Singapore and Hong Kong in the East, and London, Hamburg and Antwerp in the West, included considerable quantities of goods, which had merely passed through these ports in transit, while inland countries such as Switzerland, which possessed no sea-board, did not appear at all in the Indian accounts.

The Government of India were of opinion that it is necessary, both in the interests of Government and of merchants, that as accurate information as it is possible to obtain should be available in respect of all imports of any appreciable magnitude. It was, therefore, decided that an attempt should be made to compile statistics of the import trade according to the country of consignment, which is defined by the Committee as that from which the goods have come, whether by land and sea or by sea only, without interruption of transit save in the course of transshipment or transfer from one means of conveyance to another. Similarly all exports will be registered by the country of final destination, *i.e.*, the country to which goods from India are intended to pass, whether by sea and land or by sea only, without interruption of transit save in the course of transshipment or transfer from one means of conveyance to another. In order to prevent any breach of continuity in the statistics it was provided that they should be prepared both under the old system and the new, and published concurrently for a period of five years, after which the new system, if found to be satisfactory, would be definitively adopted. The publication of statistics in the new form commenced with the year 1907-08.

Uniformity
Trade Statistics.

in At the instance of the Board of Trade, the Secretary of State, in forwarding a resolution passed at the Colonial Conference held in 1907 recommending greater uniformity in the Trade Statistics of the Empire, suggested that the calendar year should be adopted in the place of the statistical year in the annual returns of Indian trade; that these returns should show information as to the countries of origin and ultimate destination of goods; that the classification of exports and imports should be revised and amplified; and that in the annual accounts of Trade and Navigation and all other statistical volumes values should be expressed in pounds sterling instead of in rupees. As regards the change in the statistical year, the Government of India adhered to their previous decision that the adoption of the calendar year was to be deprecated from the point of view of India. Of the other suggestions, some have been met by the adoption of the recommendations of the Statistical Committee, while others are under consideration by the Director-General of Commercial Intelligence. The Government of India have directed that the sterling notation should be adopted in the new statistics now in course of preparation, showing trade by countries of origin and destination, and that the sterling equivalent of rupee figures should be given in the annual Review of Trade in addition to the rupee values both in the tables and in the narrative.

CHAPTER III.

MERCHANT SHIPPING, PORTS, PORT DUES AND PILOTAGE AND LIGHTING OF COASTS.

Merchant Shipping.

In March 1906, the Board of Trade issued a revised edition of their Instructions to Surveyors, containing tables of freeboard. Copies of the revised Instructions were received by the Government of India from His Majesty's Secretary of State for India, who requested that the necessary orders might be issued for the recognition in this country of the amendments of load-lines made on ships by surveyors of Lloyd's Register, the Bureau Veritas and the British Corporation, in conformity with the tables contained in the revised Instructions. Orders were issued accordingly by the Government of India, and the maritime Local Governments were also informed that officers entrusted with the duty of assigning or approving of freeboards and with the survey of vessels reported to be overloaded, should be guided by the tables of freeboard issued by the Board of Trade, as modified or supplemented by the Board from time to time.

Adoption of the Board of Trade's Tables of Freeboard.

About the same time the India Office forwarded a copy of correspondence containing an application from the Committee of Lloyd's Register for the appointment of their surveyors in British India under section 39(2) (a) of the Indian Merchant Shipping Act, 1880, (VII of 1880), to assign freeboards to vessels under that enactment. The application was considered by the Government of India, who decided that it was not desirable to hand over the work connected with the marking, or the recognition of the marking, of vessels under the Indian Act to Lloyd's surveyors to the exclusion of Government surveyors. This decision was communicated to the India Office.

Rejection of an application from Lloyds for permission to assign freeboards.

Section 23 of the Indian Steam-ships Act, 1884, provides that the Local Government may, in certain cases, dispense with the survey of a steam-ship which has an official certificate of survey granted at a foreign port and give a certificate which shall have the same effect as a certificate granted after survey under the Act. In April 1906, the Government of Bombay brought to the notice of the Government of India that the procedure entailed by these provisions caused both delay and inconvenience, and, in the case of Aden, rendered it impossible for the power conferred by the section in question to be exercised. The Local Government therefore suggested that the law should be amended so as to enable them to delegate all the powers conferred on them by the section to the Port Officer or any other officer to be named by them. The Government of India agreed that the proposed amendment should be made when the Act came up for amendment in other respects, and, in the meanwhile, in order to prevent inconvenience, the Government of Bombay were authorised, as a temporary arrangement, to proceed by notification.

Amendment of the Indian Steamships Act, 1884, and the Inland Steam Vessels Act, 1884.

At about the same time, the attention of Government was drawn to the fact that, while petrol-driven and other motor launches were being brought into use on some of the inland waters in India, and some sea-going motor vessels were also under construction, there was no provision in the existing laws for the survey of such vessels or for the grant or cancellation of certificates of

competency in the case of their masters or engineers. Accordingly, after consultation with the maritime Local Governments, it was decided to amend the Inland Steam-vessels Act, 1884, (VI of 1884), and the Indian Steam-ships Act, 1884, (VII of 1884), so as to bring all motor-driven craft within the scope of those Acts.

Both these points were provided for in a Bill which was passed into law as the Indian Steam-ships Law (Amendment) Act, 1909, (I of 1909). The Act further provides (section 3) that foreign vessels carrying passengers from or to places in British India to or from places out of British India should possess certificates of survey, and (section 4) for the acceptance, as evidence of partial survey, of British or Colonial docking certificates which had hitherto not been recognised, although recognition had been given to similar foreign certificates, thus placing British and foreign ships on an equal footing in these respects.

Amendment of the Indian Merchant Shipping Act of 1880. The Indian Merchant Shipping (Amendment) Act, 1908, (XVIII of 1908), which became law in December 1908, applies, with effect from 1st October 1909, to foreign vessels while in British Indian ports; the provisions of the Indian Merchant Shipping Act, 1880, regarding the marking of deck and load lines and the detention of vessels on account of overloading. This amendment was introduced at the instance of the Secretary of State, and follows the principle adopted in Part I of the English Merchant Shipping Act, 1906, *i.e.*, the extension to foreign vessels, while at British ports, of the restrictions imposed on British vessels in the interests of safety.

Running Agreements with seamen. During the administration of Lord Curzon a Bill was framed, and forwarded to the Secretary of State for approval prior to its introduction in the Legislative Council, containing a proposal to amend section 23 of the Indian Merchant Shipping Act, 1859, (I of 1859), so as to make running agreements with seamen terminable on completion of six months from the date of execution instead of on the 30th June and the 31st December. The approval of the Secretary of State to its introduction in Council was received on the 9th January 1906. In deference to certain observations of the Board of Trade an additional clause was inserted in the Bill with the object of safeguarding the interests of the crew in the event of a running agreement in the new form proposed by the Bill terminating at a port out of British India. It provided that every such agreement should contain such stipulations as the Governor-General in Council might direct for the discharge of the crew and payment of their wages, for securing their return to a port in British India, and for other purposes on the termination of the agreement at a port out of British India. The Bill was passed into law in March 1906.

Measures to secure that lascars crews shall understand orders issued to them by ships' officers. In his despatch No. 113 (Revenue), dated the 29th June 1906, the Secretary of State for India at the instance of the Board of Trade, enquired whether the practice observed on ships on which lascars are employed, was sufficient to secure that lascar crews understood orders issued to them by ships' officers; and, if not, he suggested that it might be considered whether the Indian law should be amended so as to secure either that a certain proportion of the lascars should understand English, or that the officers should be able to issue orders in a language which the lascars could understand. It was the unanimous opinion of the maritime Local Governments who were consulted in the matter, and of the officers and shipping companies consulted, that the present practice was sufficient to secure that lascars understood the orders given,

and that no amendment of the law in the manner suggested by the Board of Trade was necessary. This opinion was fully concurred in by the Government of India, who replied accordingly to the Secretary of State in their despatch, No. 1, dated the 3rd January 1907.

In 1904 it was suggested to the Government of India by His Majesty's Secretary of State, at the instance of the Board of Trade, that in the form of agreement for the engagement of lascars in India, provision should be made for the transfer of a lascar crew from a vessel at a port abroad to one at a port in the United Kingdom. The suggestion having been unanimously approved by the maritime Local Governments, a Resolution was issued by the Government of India (in June 1906) ordering the insertion of an additional stipulation in the form of agreement referred to, making it permissible for a lascar crew, discharged at a port not in British India or the United Kingdom, to be transferred to a vessel sailing from a port in the United Kingdom, on the following conditions, *viz.* :—

- (i) That all the expenses incurred by the members of the crew on account of the journey to the port at which they join their new ship, and their wages for the time during which they may be in transit, shall be paid in advance by the owner (or in his behalf by the master) of the vessel from which the crew is discharged, who shall also make good to the members of the crew any damage which they may suffer in transit.
- (ii) That the crew shall be transferred only on the terms of an agreement approved in the manner prescribed in section 125 (3) of the English Merchant Shipping Act, 1894, and otherwise in accordance with the terms of that sub-section, and that the fee or fees for such approval shall be paid by the owner or master of the vessel from which the crew is discharged.

Shortly after the issue of the Resolution referred to above it was brought to the notice of the Government of India by the Government of Bombay that the form of agreement for the engagement of lascars contained no provision for the particulars in respect of the load-line of ships, which are required to be inserted in the agreement in accordance with section 35 (2) of the Indian Merchant Shipping Act, 1880, (VII of 1880). A further Resolution was accordingly issued by the Government of India (in July 1906) prescribing the inclusion of the requisite details in respect of the load-line of ships in the form of agreement.

In April 1910 it was brought to the notice of the Government of India that the proviso in the form of agreement for the engagement of lascars which lays down that, save under special agreement voluntarily undertaken, lascars shall not be bound to serve on a voyage round Cape Horn, did not prohibit a voyage through the Straits of Magellan. The Board of Trade considered that the proviso in question should apply to such voyages, and the Government of India, concurring in their opinion, issued a Resolution extending the terms of the proviso to voyages through the Straits of Magellan.

Under section 27 of the English Merchant Shipping Act, 1906, every British foreign-going vessel of a tonnage of 1,000 tons and upwards leaving the United

Amendment in the form of agreement for the engagement of lascars.

Certification of lascar cooks.

Kingdom is required to carry a certificated cook, *i.e.*, a cook holding a certificate of competency in cooking granted by an institution approved by the Board of Trade for the purpose, or holding certificates of discharge showing that he has had at least two years' service as a cook previous to the 30th June 1908. It was brought to the notice of the Government of India that a rigid enforcement of this requirement, resulting in cooks being required to go through a course of training at a cookery school in the United Kingdom, would cause much inconvenience and loss to vessels proceeding from India to the United Kingdom which carry lascar cooks. Accordingly, with the help of the maritime Local Governments the Government of India framed proposals for the grant of certificates of competency in India to lascar cooks. These proposals were, with certain minor alterations, approved by the Board of Trade, and orders have been issued with a view to bringing them into effect. Under these arrangements, the Board of Trade have approved, under section 27 of the Merchant Shipping Act, 1906, the Shipping Offices at Calcutta, Bombay, Rangoon and Chittagong as institutions competent to grant certificates of competency in cooking; and the Local Governments have been asked to issue instructions to Shipping Masters at those ports to grant certificates of competency to all lascar cooks who can produce at least two years' "Very Good" certificates of discharge as second cook, baker or chief cook on board a vessel or vessels of 1,000 tons or upwards gross registered tonnage, as well as properly authenticated references for the six months immediately preceding their application for a certificate of competency.

Scale of provisions
for lascars.

In accordance with the pledge given to Parliament during the progress of the Merchant Shipping Bill of 1906, the Government of India were directed to consider the question of improving the scale of provisions for lascars. The reports of the maritime Local Governments who were consulted showed that the existing scale was suitable and that no alteration was necessary; and the Government of India consequently informed the Secretary of State that they did not propose to take any further action in the matter.

Inspection of las-
cars' food in the
United Kingdom.

In April 1908, the Secretary of State suggested that provision should be made in the lascar articles of agreement requiring that the provisions taken on board for the use of lascars at any port out of British India should be of the quality prescribed in Indian ports. There is, however, no scale of quality of provisions in force at Indian ports, and the Government of India decided, in view of the fact that there was no evidence to show that lascars were subjected to hardship by the provision of unsuitable food for their consumption, that there was no necessity for a scale of quality of provisions taken on board at ports either in or out of British India, and informed the Secretary of State accordingly. His Lordship, however, cited an instance where lascars had been supplied with unsuitable food, and, in accordance with his wishes, and after consultation with the maritime Local Governments, the Government of India agreed that lascars' provisions may be occasionally inspected by the Board of Trade inspectors in the United Kingdom. At the same time, they forwarded a brief memorandum for the guidance of the inspectors with reference to the points requiring special attention in view of the caste prejudices of lascars.

Marine Courts of
Enquiry.

In February 1906, the Secretary of State, at the instance of the Board of Trade, suggested (1) that the procedure of Marine Courts of Enquiry in India should be assimilated to that in force in the United Kingdom so as to

avoid, as far as possible; the appearance of a trial of the officers of the vessels concerned, and (2) that an Engineer Assessor should be appointed in all cases where the investigation involved, or appeared likely to involve, the cancellation or suspension of the certificate of an engineer. Enquiry from the maritime Local Governments elicited the fact that there were important differences between the English and the Indian procedure in the matter of marine enquiries. The English procedure does not contemplate the framing of a charge by the Court, but provides that, after the examination of the witnesses produced by the Board of Trade, the Board shall state in open Court the questions upon which the opinion of the Court is desired. The English rules are based on the principle that the primary object of investigations into shipping casualties is the elucidation of the true cause of the occurrence, the punishment of defaulting officers being secondary. The Indian procedure, on the other hand, followed closely that observed by a Criminal Court, and an investigation conducted in accordance with the rules followed in some of the maritime provinces necessarily presented the appearance of a trial of the officers concerned, even in cases where their conduct was not called into question. It was found impracticable to bring the Indian procedure completely into line with that followed in the United Kingdom without an amendment of the Indian law, and the Government of India, who were not convinced of the necessity of such a course, decided to free the Indian procedure from the defects complained of by means of executive instructions, and so meet the wishes of the Board of Trade. A set of rules providing for the point was accordingly prepared, and after being approved by the maritime Local Governments, was promulgated for general acceptance with certain modifications proposed by the Board of Trade, with a view to the closer assimilation of the Indian procedure to that in force in England. The second suggestion of the Secretary of State presented no difficulty, and was, with the approval of the maritime Local Governments, incorporated in the rules.

In connection with a representation from the Merchant Service Guild, calling attention to certain points in the procedure followed in India in the conduct of preliminary enquiries into shipping casualties, reports were called for from the maritime Local Governments as to the actual practice adopted at the various ports in this matter. These reports showed that the procedure in force was generally satisfactory and did not require amendment except in one respect. The practice of furnishing the Court of Enquiry with the Port Officer's report and remarks was regarded as being open to objection, and orders were issued that in future the Court should be furnished, prior to its assembly, with only a bare statement of the case upon which the investigation had been ordered by the Local Government.

Ports, Port Dues and Pilotage.

In October 1905 the attention of the Government of India was drawn by the Government of Bengal to the necessity of taking steps to prevent the occurrence of accidents to ships owing to the indifferent eyesight or want of physical fitness of pilots. In accordance with the recommendation of the Lieutenant-Governor it was suggested to the Secretary of State that it should be expressly laid down in the rules regulating appointments to the Bengal Pilot Service that Branch Pilots and Pilots, who have passed the Branch Pilots examination, should, while under 55 years of age, be examined every three

years by the Marine Surgeon with respect to eyesight and general physical fitness, and that pilots over 55 years of age, who are still in the service, should be similarly examined every year. In February 1906 a further suggestion was made that pilots should be medically examined after any accident occurring to the vessel in their charge, if the circumstances tended to show that the accident was in any way attributable to physical unfitness on their part, and also at any other time, if the Local Government had reason to believe that a pilot was owing to physical unfitness of any kind incapable of discharging his duties properly. These proposals were approved by the Secretary of State, and the rules have been amended accordingly.

In February 1909 the Government of Bengal forwarded certain representations which had been received from leadsmen in the Bengal Pilot Service complaining of the inadequacy of their salaries in view of the general increase in the cost of living. The Local Government recommended a revised scale of salaries for them involving an increase in the salaries of junior leadsmen, second mate leadsmen and first mate leadsmen on the running list of Rs. 7, Rs. 35 and Rs. 60 *per mensem* respectively, and an increase in the salaries of second mate and first mate leadsmen employed as second and Chief officers of Pilot vessels of Rs. 10 *per mensem*, exchange compensation allowance being withdrawn in all cases. The Government of India sanctioned these proposals.

Improvement of
the Port of Calcutta.

It was noticed in February 1906 that, while the Port Commissioners of Bombay, Rangoon and Karachi had framed comprehensive schemes for the improvement of those ports, with a view not only to meet immediate requirements but also the future probable demands of trade, no scheme of so systematic a character had been prepared for the improvement of the port of Calcutta. It was suggested to the Government of Bengal, therefore, that this might be done. From the reply received from that Government, it appeared that the question had already been taken up by the Port Commissioners, who had deputed their Chief Engineer, Mr. Palmer, to study the position and to formulate a scheme for the extension of the existing accommodation, which would embrace probable developments of trade within a reasonably long period. In his report, submitted in March 1906, Mr. Palmer stated that the existing accommodation, with the extensions and reconstructions then in progress, would suffice for the import trade and the export coal trade up to 1920, but that the growth of the other export trade was only provided for up to 1913. The scheme put forward by Mr. Palmer and adopted by the Port Commissioners with the approval of Government, provided for the development of the facilities of the port to meet the growth of trade and the increasing size of vessels as far as it was possible to forecast the requirements of the future, and has been consistently pushed on.

Amendment of the
Calcutta Port Act,
1890.

In March 1903 the Port Commissioners of Calcutta requested permission to grant a compassionate allowance to the widow and children of an officer who had been killed by an accident on board one of their vessels while in the execution of his duty. The Government of Bengal were unable to entertain the request as the provisions of the Calcutta Port Act, 1890, did not permit of the grant of such allowances. It was considered, however, that the Commissioners should possess the power to grant pensions, gratuities or compassionate allowances to any of their officers or servants (including artisans, porters, labourers and sirdars of porters and labourers) who were injured, or to the surviving

relatives of any of them who were killed in the execution of their duty. A bill to amend the Calcutta Port Act, 1890, was accordingly introduced and having received the assent of the Governor General was passed into law as the Calcutta Port (Amendment) Law, 1910.

Lighting of Coasts.

In presenting the Report of the Select Committee on the Madras Coast Lights Bill, 1904, to the Legislative Council of the Governor General held on the 11th March 1904 Sir Edward Law referring to the Burma Coast Light dues, said, "the rate at which the dues are levied should be revised every five years, the first revision being made when the results of the year 1904-05 are known, and being based on the recorded average annual surplus during the quinquennium. At each revision the rate at which the dues are levied will be re-adjusted by even pies, so as to yield approximate equilibrium between receipts and expenditure." He also announced that the rate of the Madras Coast light dues would be revised when practicable. In accordance with this pronouncement, the Government of India in April 1906 issued a notification reducing the rate of the Burma Coast Light dues from one anna and six pies to one anna and two pies per ton of burden; and in October 1909 they sanctioned certain proposals submitted by the Government of Madras for the revision of the rates of the Madras Coast Light dues. The revised schedule provided for a reduction in the rates of from one to two pies per registered ton, according to the nature of the voyage concerned, the total reduction effected by the latter measure being estimated at Rs. 30,000 per annum.

Reduction of the rates for the Burma and Madras Coast lights dues.

The question of improving the lights at Perim and in the Red Sea has engaged the attention of the Government of India since 1892, but no action had been taken in the matter in view of the refusal of the Home Government, who were undoubtedly interested in their improvement, to contribute any share of the cost. In 1903, however, the Secretary of State (Lord George Hamilton) insisted upon the requisite work being started, in view of the clear necessity for the improvements. In July 1907 the Government of Bombay submitted specific proposals for the improvement of the light houses at Perim, at an estimated cost of Rs. 62,000. The Government of India decided to make another attempt to obtain a contribution from the Home Government, and accordingly addressed the Secretary of State on the subject. The Secretary of State has since replied that the Treasury have agreed to contribute a moiety of the cost (Rs. 31,000) of the proposed improvement, and the Local Government has forwarded indents for the materials required for the work to the India Office.

Improvement of the Perim Lights.

CHAPTER IV.

CUSTOMS, MERCHANDISE MARKS, COTTON EXCISE DUTIES AND CUSTOMS ADMINISTRATION.

Introductory.

The final organization of the Imperial Customs Department was one of the most important matters relating to customs administration dealt with during the period under review. The inauguration of an Imperial Customs Service, the main objects of which were to improve the *personnel* of the superior establishment and to co-ordinate the administration of the customs at the principal ports in India, was formally approved towards the close of Lord Curzon's administration, but the settlement of the many details required to bring the new department into working order was carried out during Lord Minto's Viceroyalty.

Another event of importance connected with the subject of this chapter was the passing of the Indian Tariff (Amendment) Act of 1910, which enhanced considerably the import duties on liquors, tobacco, silver and petroleum, in order to meet a deficit in the Budget.

In reply to certain criticisms of Mr. Harold Cox, M. P. directed against the principles of the Indian tariff, the Government of India took the opportunity to make an elaborate examination and defence of their present tariff policy. The Government of India also definitely laid down their policy in respect of exemptions from customs duty, namely that special exemptions from the general duties imposed by the Tariff Act should on principle be refused and that the policy of preserving the integrity of the customs tariff should be maintained as far as possible. These matters are all more fully dealt with below.

The development of Indian trade during this period is illustrated by the following figures which show the increased revenue received from the customs and cotton excise duties. The customs revenue, which totalled 625 lakhs of rupees in 1905-06, rose to Rs. 717 lakhs in 1907-08. There was a temporary decline owing to unfavourable trade conditions in 1908-09, the revenue being Rs. 689 lakhs. In 1909-10 it again rose to Rs. 717 lakhs. The receipts from the cotton excise duties rose continuously during this period from Rs. 27 lakhs in 1905-06 to Rs. 34 lakhs in 1909-10.

*Customs.**A. General questions.*

Indian Tariff (Amendment) Act, 1910.

The Indian Tariff (Amendment) Act, 1910, to which reference has been made above, came into effect from the 25th February 1910. It raised the tariff rate on imported spirits from Rs. 7 to Rs. 9-6 per proof gallon (or $1\frac{1}{2}$ annas per degree of proof), and made a corresponding increase in the rate for liqueurs. At the same time the opportunity was taken to make the definition of liqueurs simpler and more comprehensive by the classification under that head of sweetened spirits, cordials, bitters, perfumed spirits and toilet preparations containing spirit. A uniform rate of Rs. 7-13 per proof gallon was also fixed in the case of spirit used in drugs, medicines, or chemicals.

Alkaloids of opium were brought into the same category with opium for the purposes of taxation in order that morphia and its congeners, when imported otherwise than as ingredients in recognised medicines, might pay adequate duty; quantitative duties were imposed on tobacco manufactured and unmanufactured; the duty on petroleum was raised from 1 to $1\frac{1}{2}$ annas per Imperial gallon; and a specific duty of 4 annas per ounce was imposed on silver in place of the previous rate of 5 per cent *ad valorem*.

An important question on the subject of the Indian Customs Tariff was raised by Mr. Harold Cox, M. P., in 1908. Mr. Cox criticised the principles on which the Indian tariff is based, and suggested that alike in the interests of trade and of sound finance it was desirable to remove from the dutiable list articles which did not yield a substantial revenue. The Government of India were asked by the Secretary of State for an expression of their views upon the suggestions made by Mr. Cox.

Mr. Cox's criticisms on the Indian Tariff.

The whole question of the present tariff policy of the Government of India was thoroughly examined in this connection, and a complete answer to the criticisms made by Mr. Cox was sent to the Secretary of State in June 1909. In their despatch to the Secretary of State, the Government of India reviewed the history of previous tariff legislation in India and of its administration, and showed that the criticisms directed against the Indian tariff by Mr. Cox, namely, that it was unscientifically framed, needlessly intricate, and burdensome to traders, were not well founded. They also showed that his suggestion that the tariff should be simplified by the exclusion of a number of articles which yield small amounts of revenue, was impracticable and open to serious objections on fiscal and administrative grounds.

In view of the accession of Russia to the Brussels Sugar Convention in 1908, the Secretary of State enquired as to the intention of the Government of India in regard to the Indian countervailing duties on Russian sugar. The Government of India replied that they would prefer not to express any opinion on the subject until the question of the repeal of the Russian surtax on Indian teas, which was then under the consideration of the British and Russian Governments, was settled, but that there would probably be no objection to the removal of the Indian countervailing duties on Russian sugar if the Russian surtax on Indian teas was repealed. The Secretary of State intimated later that Russia had agreed to the repeal of the surtax on Indian teas from the 1st September 1908, and the countervailing duties levied on Russian sugar imported into India were removed from the same date.

Sugar duties. Repeal of the Indian countervailing duties on Russian sugar.

The additional duty imposed in 1900, under section 8-A of the Indian Tariff Act, 1894, on raw sugar produced in or imported from Chile was repealed in November 1909. This action was decided upon, as the rate of the special duty fixed in 1900 was out of date and it was considered unnecessary to fix any revised rates in view of the fact that no beet sugar is exported from Chile.

The rules issued in 1902 for the identification of sugar imported into India from foreign countries required certificates of origin of such sugar to be verified and attested by the British Consular Officer at the port whence the sugar was shipped to India. In February 1906, on a representation from Messrs. Ralli Brothers, it was decided in the case of sugar produced in countries which are parties to the Brussels Sugar Convention, to dispense with the condition that

Certificates of origin of sugar imported into India.

certificates of origin should be countersigned by the British Consul at the port of shipment, and to accept certificates granted by a duly authorised Customs Officer of the country of production as a sufficient proof of origin.

In 1909, the forms of certificates required in respect of sugar imported from the United Kingdom were revised; and the rules for the identification of sugar published in 1902, which had been amended on several occasions, were consolidated.

Measures adopted
to prevent the illicit
exportation of birds'
skins and feathers by
means of the post.

In September 1902, the export by land or by sea of all birds' skins and feathers (with certain exceptions) was prohibited under section 19 of the Sea Customs Act, 1878, and in July 1903 a Postal Notice was issued drawing the attention of the public to this prohibition. It was, however, considered inadvisable at that time to take any action under section 25 of the Indian Post Office Act, 1898, to empower postal officials to search suspicious parcels. As a result, the parcel post was systematically used as a method of export of birds' skins and feathers, and towards the end of the year 1906 Government decided to close this channel of export. Accordingly, two notifications were issued in February 1907, the first of which empowered certain postal officers to search, or cause search to be made, for birds' skins and feathers in course of transmission by post to any place outside British India, and to deliver all such skins and feathers found to the nearest Collector of Customs; and the second prescribed that any customs declaration in respect of parcels handed to the Post Office for transmission by the foreign post, should be held to be a declaration under the Post Office Act.

In 1908, the Government of India received, through the Government of Bombay, a petition from the Feather Merchants' Association of Gujerat praying that the Notification of the 19th September 1902, prohibiting the exportation of birds' feathers from India, might be cancelled or so modified as to allow the feathers of peacocks, cranes, and other wild birds which throw off their feathers in course of nature, to be exported from British India. The Local Government supported the second prayer of the memorialists, and recommended that a clause should be added to the Notification excluding from its operation feathers of peafowls and cranes when exported from certain prescribed areas. The proposal was rejected by the Government of India on the ground that, if the orders were relaxed in favour of one particular locality, it would not be possible to refuse a similar concession in regard to other districts, and that it would also be difficult to prevent dealers from other places exporting feathers through the channel thus opened.

The memorialists appealed to the Secretary of State in 1909 against the above decision, but Lord Morley accepted the views of the Government of India and declined to interfere. A representation against the prohibition notified in 1902 was also received from the London Chamber of Commerce, through the Secretary of State, in July 1909. The Chamber urged that the prohibition in question should be withdrawn, and that the fauna of British India should be protected by an enactment imposing a close season during the breeding time for any or all species of birds. They further suggested that, if the prohibition could not be entirely removed, it should be relaxed so as to admit of the export of parrot skins and peacock quills. The Government of India, in declining to accept the suggestions made, replied that the prohibition of 1902 was imposed after exhaustive enquiry and careful consideration as a

first step towards the prevention of the indiscriminate slaughter of birds for the sake of their plumage, and that provision had also been made for the establishment of a close season during breeding time in the Game Bill which was under consideration.

In May 1906, the attention of the Government of India was drawn to the risk of importation into India of the American cotton boll weevil in consignments of American cotton seed. The importation into British India of American or West Indian cotton seed, which had not been properly disinfected, was accordingly prohibited by a Notification under section 19 of the Sea Customs Act, 1878.

Prohibition of the importation into British India of American or West Indian Cotton seed which has not been properly disinfected.

Certain difficulties were experienced by the customs authorities in connection with the assessment of articles falling under the heads "apparel" and "piece-goods", the former being liable to duty under the Indian Tariff Act at 5 per cent *ad valorem* and the latter at $3\frac{1}{2}$ per cent. Accordingly after consultation with the maritime Local Governments, the Chambers of Commerce and other commercial associations, an authoritative list of cotton "piece-goods" was issued in July 1906. This list is to be revised yearly by the Director-General of Commercial Intelligence in consultation with the commercial community. A definition of "apparel" was at the same time prescribed for the guidance of customs officers and instructions were issued to the effect that all articles of cotton which did not come within the definition of "piece-goods" or "apparel", and were not specifically included in any other head of the Tariff Schedules, should in general be assessed to import duty at $3\frac{1}{2}$ per cent under Article 30 of Schedule IV of the Indian Tariff Act, as "other manufactured cotton goods not otherwise described."

Introduction of a new system of classification of imported cotton goods for fiscal purposes.

The question of the definition of the term "wholesale cash price," which occurs in section 30 of the Sea Customs Act and, where ascertainable, determines the real value of imported goods for purposes of assessment to customs duty, came before the Government of India on several occasions. They ruled that the term should be defined as the "local wholesale market value" irrespective of the price at which transactions are conducted between importers and dealers. In accordance with this ruling the Government of India upheld the practice adopted at Calcutta, Madras and Rangoon, by which Singer's sewing machines were assessed to duty on the catalogue price less 20 per cent on account of trade discount and 5 per cent on account of customs duty. They declined to recognize the alternative practice by which duty was charged on the invoice value *plus* freight and landing charges.

Definition of "wholesale cash price".

B.—Exemptions.

In June 1906, the Government of Bombay submitted a proposal that telephonic instruments and apparatus and parts thereof, when imported by or under the orders of a Railway Company, should be exempted from the payment of customs duty. The Government of India rejected the application on the ground that the tariff was already sufficiently liberal in the matter of concessions for railway purposes, and that a further concession was not necessary.

General declaration of the policy of the Government of India in respect of Customs exemptions.

Advantage was taken at the same time to make a general declaration of the present policy of Government in respect of exemptions. The Local Governments were informed that the Government of India were averse on

principle from granting special exemptions from the general duties imposed by the Tariff Act, as experience had shown that special exemptions granted in one case were apt to give rise to demands for further exemptions of a more or less similar nature. The Government of India had therefore definitely adopted the policy of preserving the integrity of the customs tariff as far as possible; and it was hoped that Local Governments would, as a rule, refrain from submitting recommendations for general exemptions which could not be allowed otherwise than on grounds of a very strong and quite exceptional character.

Non-exemption from the payment of customs duty of advertising materials imported into India.

In accordance with this policy the Government of India declined, in July 1906, to grant a request preferred by the British-American Tobacco Company, Limited, for the exemption from the payment of customs duty of advertising materials imported into India.

Exemption of re-imported commercial samples not intended for sale.

In connection with a representation from the Government of Burma pointing out that, under existing rules, import duty was frequently levied a second and sometimes a third time on commercial samples, it was decided that, subject to the fulfilment of certain conditions, samples of goods not intended for sale, on which duty had already been paid, might be re-imported free of customs duty by commercial travellers.

Admission free of duty and customs examination into India of samples brought by commercial travellers from the United Kingdom.

With a view to facilitating the passage of commercial travellers' samples through the customs, it was suggested by the Board of Trade that in the case of samples of dutiable goods brought by commercial travellers from the United Kingdom into British India, for use as models or patterns for the purpose of obtaining orders, and not for sale, the marks, stamps or seals placed upon such samples by the customs authorities in England at the time of exportation, and the officially attested list of the goods containing a full description thereof, might be accepted as establishing their character as samples, and that such goods might be exempted from customs inspection and duty on importation into India. The arrangement was proposed on a reciprocal basis, and the Government of India decided to accept it.

Exemption from duty of oil seeds imported into British India from Native States.

In 1908, oil seeds imported into British India from Native States were exempted from payment of duty. This concession, which had originally been asked for in 1903 and had been rejected by Lord Curzon's Government as being undesirable on political grounds, was granted in deference to a further representation from the Karachi Chamber of Commerce, who pointed out that the inconvenience caused by the levy of duty was felt more by the merchants in India than the producers in Kathiawar.

Exemption of Military equipment and band instruments for Imperial Service Troops.

The concession made by Lord Curzon's Government in favour of military equipment imported by officers of His Majesty's regular forces was extended to Imperial Service Troops. Band instruments imported by Native regiments, Military Police Battalions and Imperial Service Troops were also exempted from payment of duty.

Exemption from customs duty of all articles imported into India for personal use of Naval Officers serving on any of His Majesty's ships.

In May 1906, on a representation received, through the Government of Bombay, from His Excellency the Naval Commander-in-Chief, East India Station, it was decided, in view of the practice prevailing in all British colonies as regards the customs treatment of His Majesty's Navy, that all articles imported into India for the personal use of Naval Officers serving on any of His Majesty's ships should be exempted from customs duty, and that if, owing

to the absence of the ship or other cause, duty had to be paid on the importation of such articles, a refund should be granted, provided that the articles on which refunds were claimed had been imported directly by, or for the use of, the officers concerned and had not been purchased in India. It was also ruled that for the purposes of the above order His Excellency the Naval Commander-in-Chief's official residence might be treated as if it were one of His Majesty's ships.

In 1902, on a representation from Messrs W. and A. Graham and Company, Bombay, agents for the "Shell" Transport and Trading Company, Limited, the Government of India exempted from the whole of the customs duty in excess of 5 per cent *ad valorem*, petroleum which had its flashing point at or above 150° F, and which was proved to the satisfaction of the Collector of Customs to be intended for use as fuel. In July 1906, the firm, acting in their capacity as Agents for the Asiatic Petroleum Company, Limited, asked that the concession might be extended so as to include certain sanitary and hygienic purposes for which the oil is also used. After consulting the maritime Local Governments the Government of India agreed to grant the concession asked for and a Notification was issued accordingly on the 1st March 1907.

Exemption from the whole of the customs duty in excess of 5 per cent *ad valorem* leviable thereon, of petroleum which has its flashing point at or above 150° F. and which is intended for use exclusively as fuel or for some sanitary and hygienic purpose.

Several other concessions, such as the exemption from duty in respect of the baggage and personal effects, etc., of the Consular representatives of the Netherlands, Mexico, Cuba and the United States, the exemption of pepper exported by sea from the Port of Cochin from the export duty payable thereon under section 4 of the Indian Tariff Act, and the exemption of sugar-coated quinine pills, tabloids, tablets and capsules, were also sanctioned during the period.

Applications were also received for the exemption from customs duty of various articles used for industrial purposes, such as China clay for use in the manufacture of paper, cotton rope imported for driving machinery, and clinker from which cement is made, but they were rejected in accordance with previous decisions of the Government of India, and in view of the present policy of Government not to grant any further exemptions from duty except on grounds of a very strong and exceptional character.

The "Rules for the exemption of passengers' baggage from customs duty" were again revised. The rules issued in the beginning of 1904 provided for the exemption, subject to certain conditions, of unaccompanied baggage landed within one month before or after the arrival of a passenger; but this concession was withdrawn by the revised rules issued in October 1905, as it was considered unduly liberal and had been abused by certain sections of the travelling public. It was, however, represented by the Government of Bombay that the withdrawal of the concession adversely affected civil and military officers recalled suddenly from leave. The Collectors of Customs were, therefore, authorised in January 1906 to apply the rules for the exemption of passengers' baggage to baggage arriving within 15 days of a passenger, if satisfied that such treatment was justified in individual cases by exceptional circumstances, such as sudden recall from leave. It was subsequently pointed out by the Collector of Customs, Calcutta, that this concession would not meet the conditions obtaining at that port, and, after consultation with the Collectors

Baggage rules.

of Customs at the principal ports, a revised set of rules was published in August 1906. The effect of the new rules is to exempt from duty, subject to certain specified exceptions, not only the *bona fide* baggage of a passenger, when it accompanies him, does not form part of the cargo, or is not included in the manifest, but also *bona fide* baggage landed at any customs port within one month before or after the arrival of a passenger in India.

Rejection of a proposal of the Madras and Bengal Chambers of Commerce for the introduction of a special tariff for electrical plant.

In 1907, a proposal was submitted by the Madras Chamber of Commerce, and supported by the Bengal Chamber, regarding the introduction of a special tariff for electrical plant. On inquiry it was ascertained that the intention of the Chambers was that a list should be compiled of parts of electrical machinery, which should be admitted free of duty as component parts of machinery, the object in view being to bring about a clear understanding between importers and the Custom Houses as to the fiscal treatment of such articles. Similar applications for the definition of component parts of machinery had been refused by the Government of India in the past, and it was considered inexpedient on general grounds to prescribe any authoritative list of parts of electrical machinery which should be admitted free of duty. The proposal was, therefore, rejected.

Rejection of a proposal that all invoices of goods shipped to India should be certified before a British Consular Officer.

In connection with the shipment to India from the United States of certain consignments suspected to contain arms and ammunition, a suggestion was made by His Majesty's Consul General at New York that all invoices of goods shipped to India should be certified before a British Consular Officer.

The Government of India were, however, of opinion that the system proposed would cause considerable inconvenience to traders and without an actual examination of the goods by the Consuls, would be of no practical advantage as a protection of the customs. They considered that the only method of preventing the illicit importation of suspicious goods was a thorough examination at Indian ports. In view of these and other considerations they decided not to adopt the proposed procedure.

C.—*Special questions.*

Customs treatment of postal parcels for Chandernagore and other French Settlements.

In 1905, in compliance with a request from His Excellency the Governor of the French Settlements in India, who represented the anomaly of the French dependency of Chandernagore not being served by the French parcel mail, the Government of India agreed to the proposal under which postal parcels for Chandernagore, carried by the Messageries Maritimes steamers to Calcutta, should be made over at Calcutta to an agent of the French Administration, after examination in his presence and assessment by British Indian customs officials, the settlement of the payment of the duty being subsequently arranged by the Calcutta customs authorities in communication with the French Administration. Subsequently, the Governor of the French Settlements in India requested that postal parcels consigned to Chandernagore from France might be exempted from the payment of customs dues at Calcutta. The Government of India were unable to grant the concession asked for in the case of all parcels, but stated that those intended for French officials at Chandernagore would be entitled to exemption under the special concession allowed in favour of such officials since 1887. As the Governor of the French Settlements in India was unwilling to accept the concession, unless it was extended to all parcels consigned to Chandernagore, the proposal was dropped.

An anomaly which had been in existence for a long time in regard to the treatment of postal parcels for Chandernagore was removed in April 1909. Postal parcels for Chandernagore were formerly passed free at Bombay while duty was levied on them at Calcutta. In 1908, the customs authorities at Bombay proposed that duty should be charged on such parcels when imported through Bombay, and they suggested that parcels for Chandernagore received at Bombay should in future be forwarded to Calcutta for examination and assessment to duty by the customs authorities there. This proposal was sanctioned in 1909, and all parcels for Chandernagore, whether entering India through Bombay or Calcutta, are now examined and assessed to duty by the customs authorities at the latter place.

The question of abolishing the preventive customs line along the land frontier between Kathiawar and British India, which is referred to on pages 22 and 23 of the Summary of Lord Curzon's Administration in this Department during the period March to November 1905, was the subject of prolonged negotiation between the Government of Bombay and the Kathiawar States. The States concerned have, however, so far declined to agree to the inspection of their customs accounts and arrangements by a British Customs Officer, which is regarded by the Government of India as an essential condition of a settlement of the question.

Several special cases connected with the administration of the Kathiawar Land Customs Line were dealt with during this period. In January 1906, the Government of Bombay recommended that goods forming part of the *Raj Bhag* (i.e., land revenue levied in kind) of the Lakhtar State should be exempted, as a special case, from the payment of customs duty on crossing the customs line *en route* from one part of the State to another, and also that the duty previously paid on such goods should be refunded. The Government of India, though recognizing that the duty so levied operated as a transit duty pure and simple, were of opinion that the levy of the duty was an inevitable incident of the customs line and could not be abolished without impairing the integrity of the system. They were unable therefore to accept the recommendations of the Government of Bombay.

In two other cases, however, the rules were relaxed. In November 1905 the Government of India accepted a recommendation of the Government of Bombay that medical instruments sent from Agency dispensaries and other public hospitals in Kathiawar to the Bombay Medical Store Depôt for repairs should be exempted from duty if re-exported within a period of six months.

Again, in March 1906, the Government of Bombay pointed out that in consequence of the establishment of the land customs line on the Kathiawar frontier a double duty was being levied on cotton goods produced in the Kathiawar mills and imported into British India through the frontier line, *viz.*, (1) excise duty of $3\frac{1}{2}$ per cent paid by the mills, and (2) customs duty at the same rate paid by the importers at the land customs stations. As the excise duty was imposed at the request of Government on the understanding that goods which paid this duty would be admitted free into British India, it was considered that the levy of customs duty at the land customs line was unfair. The Government of India accordingly agreed to the Local Government's proposal that cotton goods produced in the Wadhwan Civil Station, Bhavnagar and other mills

of Kathiawar should be exempted from the payment of customs duty at the land frontier line, provided they were accompanied by a certificate signed by an officer appointed by the Local Government showing that the goods had already paid the excise duty leviable at the place of manufacture.

Continuance of the grant of drawbacks of duty on goods re-exported from Burma to China by the Bhamo-Tengyueh route.

In January 1906, the Government of Burma submitted a report regarding the working of the system by which seven-eighths of the duty paid on import is refunded on goods re-exported from Burma to China by the Bhamo-Tengyueh route. As the result of the first year's working was considered satisfactory, the continuance of the system was recommended, subject to the modification that the refund should be ordered by the Superintendent of Customs, Bhamo, instead of by the Deputy Commissioner and paid at the treasury. Sanction was also requested to the appointment of the Superintendent being made permanent and to the grant to him of free quarters. All these proposals were accepted by the Government of India.

In addition to the above, the Government of Burma recommended a proposal to simplify and improve the drawback system by the introduction of an alternative plan, whereby the authorised refund might be obtained on goods of foreign manufacture declared for export to Tengyueh at Bhamo without previous declaration at Rangoon. It was stated that the imported goods sent from Bhamo to Tengyueh were not imported at Rangoon for this specific purpose, but were for the most part bought after importation in the markets of Rangoon and Mandalay: hence small traders who bought in the local markets received no benefit when they exported goods to Tengyueh. The Government of India, although fully sympathising with the Local Government's desire to develop the trans-frontier trade, and recognising that it would be an advantage to trade if a drawback were allowed to purchasers in the markets of Rangoon and Mandalay with the object of exporting the goods purchased to China, were unable to accord their sanction to this alternative scheme. The reasons given were that the system could remain in force in the form suggested by the Local Government only until the time when the railway projected from Tengyueh was ready to be opened; that in the case of piece-goods, which were the articles exported in the largest quantities to China, a duty had to be levied at $3\frac{1}{2}$ per cent *ad valorem*, and, if these goods were not declared for re-export at Rangoon, it would be necessary to make a valuation of each package at Bhamo. The most formidable objection to the proposal was, however, considered to be the fact that it involved the relaxation of a principle which had hitherto always been observed in practice, *viz.*, that no refund could be given on any goods unless there was definite proof that duty had actually been paid on them, and the Government of India could not admit that the presence in Burma of a dutiable article necessarily implied that it had paid duty. Further it was thought that, in view of the hand-loom industry in Burma, it would be impossible to be sure that a particular piece of hand-woven cloth had or had not paid duty.

Proposal to facilitate bonded trade with Chinese Turkestan by the Hoshiarpur-Leh route.

In September 1905, a petition was submitted by many influential Central Asian traders to the Resident in Kashmir, through the British Joint Commissioner, Ladakh, praying that an office might be opened at Hoshiarpur (Punjab) for checking bonded goods bound for Chinese Turkestan, in addition to that which already existed at Srinagar. They represented that mule transport was obtainable with ease in the neighbourhood of Hoshiarpur, and that, before the

erection of the depôt for bonded traffic at Srinagar, much of the Yarkand trade passed from Hoshiarpur through Kulu, and that while two routes were available traders experienced less difficulty in getting their goods through during the short trading season. The Resident in Kashmir supported the proposal. He pointed out that, as a refund of import duty is obtainable under the existing regulations at Srinagar only, the bulk of the merchandise intended for the Central Asian market is naturally carried up the Srinagar-Leh road, with the consequence that there is considerable difficulty in getting transport in the trading season; and that if suitable arrangements were made for the control of the bonded traffic intended for Chinese Turkestan passing over the Hoshiarpur-Leh route, and refunds granted, merchants would avail themselves of this alternative route to a greater extent and the congestion on the Srinagar-Leh road would be relieved. He suggested that, as a bonded warehouse for *charas* already existed at Hoshiarpur, this might be utilised for the purpose, and the officer in charge of the warehouse might be able to undertake the additional duties that would devolve upon him, if the proposal was sanctioned, for a remuneration of Rs. 20 a month.

The Government of India considered that it would be desirable to meet the wishes of the traders in the matter, if this could be done without much trouble and expense, and an expression of the views of the Government of the Punjab on the proposal was accordingly invited. That Government cordially concurred in the proposal; and with the assent of the Kashmir Durbar, rules for giving effect to the proposal were drawn up and issued in September 1908.

In 1909, the Punjab Government submitted a proposal for the introduction of a system for the refund of customs duty on goods passing through the Kulu Valley to Central Asia. The Local Government explained that it had under consideration a project for the improvement of the communications between Sultanpur and the plains, in order to admit of the bonded warehouse at Hoshiarpur being eventually removed to the former place, and that it considered that, until this was accomplished, something should be done to encourage trade passing through Kulu by routes other than the Hoshiarpur route. The Punjab Government accordingly proposed that a refund of customs duty should be granted on all goods exported by the Sultanpur route to Central Asia; that the concession should at first be confined to goods passing through the post at Leh; and that, if this experiment proved successful, a system of refunds could be tried at Kailang with a view to the improvement of the export trade to Western Tibet and Zangskar. The proposal involved, however, the abandonment of the principle to which the Government of India have always attached the greatest importance, namely, that no refund of customs duty should be allowed in the absence of express proof of payment of the duty. The scheme submitted by the Local Government was, moreover, too indefinite and in the circumstances the Government of India did not consider it advisable to sanction the proposal.

Rejection of a proposal for the payment of refunds of customs duty on goods passing through the Kulu Valley to Central Asia.

Under the trade agreement entered into in 1865 between the Government of India and the Travancore Durbar, the Durbar is at liberty to levy customs duty at any rates which it may desire to fix (subject to certain prescribed maxima) on tobacco imported into Travancore. Immediately prior to the enactment of the Indian Tariff (Amendment) Act of 1910, the rate of import duty levied by the Durbar on Jaffna tobacco, the produce of the Northern

Importation of Jaffna tobacco into Travancore.

Province of Ceylon, was Rs. 90 a candy, which is equivalent to $2\frac{1}{2}$ annas per lb. From the 25th February 1910 (the date on which the Act just cited came into force), however, the Durbar, at the instance of the Government of India, raised this rate to correspond to the British Indian rate of Rs. 1-8-0 per lb. that is, to Rs. 900 per candy. This sudden and material increase evoked a strong protest from the Government of Ceylon and an appeal for a reversion to the former rate of duty. The representation made by that Government was based on the grounds that Jaffna tobacco formed the staple industry of a large population in the Colony, that Travancore had hitherto been the principal, if not the only, market for it; that to suit the Travancore taste it was soaked in sea-water, and the supplies already thus prepared were quite useless for any other market; and that the practical result of the enhanced rate of duty levied would be to close the Travancore market and cause serious disaster to the bulk of the population of the Jaffna district. A similar representation was simultaneously made by the Government of Ceylon to His Majesty's Government, and under the orders of the Right Honourable the Secretary of State for India, it was decided to allow the Travancore Durbar (1) to continue to levy duty on Jaffna tobacco at the old rate of Rs. 90 per candy, provided that the Durbar undertook to prevent, to the best of its ability, the smuggling of such tobacco from Travancore into British India, (2) that the total import was effectively limited to the average quantity imported annually, and (3) that the Durbar might be required to raise the rate gradually to the British Indian level if it should be found hereafter that conditions (1) and (2) were not effective. These conditions having been accepted by the Durbar, the decision to revert to the old rate has been brought into effect.

Remission of customs duty on imported tobacco used in the manufacture of cigars exported from the Madras Presidency.

The high class cigars manufactured in Madras are made partly of tobacco grown in this country and partly of tobacco imported in leaf mainly from Sumatra and America. In March 1910, the Government of Madras represented that the effect of the new import duty of Rs. 1-8-0 per lb. on manufactured tobacco would be disastrous to the cigar export trade of the Presidency, and they proposed that the cigar-makers should be permitted to manufacture their wares in bond and that a rebate of import duty should be granted on the foreign tobacco utilised in the manufacture of the cigars exported from British India. The Government of India, after a careful consideration of the case, accepted the recommendations of the local Government, and agreed that the manufacture in bond of cigars intended for export should be regulated by the warehousing provisions of the Sea Customs Act, no import duty being charged on the foreign tobacco used in the manufacture of the cigars exported.

Merchandise Marks.

The short reeling of yarn in Indian mills.

The orders of the Secretary of State on the short reeling of yarn in Indian mills, a question which was exhaustively discussed during Lord Curzon's Administration, were communicated in a despatch dated the 6th July 1905. Lord Morley, while not dissenting from the general conclusions at which the Government of India had arrived in July 1905, pointed out that the decision should not be held to imply, as had been inferred in certain quarters, that it was proposed to abstain from all action under the Indian Merchandise Marks Act in respect of short-reeled yarn manufactured in Indian mills. He accordingly suggested that it would be advisable expressly to delegate powers in respect of prosecutions to certain authorities in India. In compliance

with these instructions, the Government of India decided that Local Governments should, in certain classes of cases and subject to certain conditions, be authorised to undertake prosecutions under sections 6 and 7 of the Act; and instructions on the lines of the Regulations issued by the Board of Trade to provide for the conduct of prosecutions in similar cases in the United Kingdom were issued in April 1906. As a consequence of this decision, the customs examination of imported yarn which had been removed in July 1905 was re-imposed.

At the instance of the Bombay Chamber of Commerce, the Government of Bombay issued in January 1908 certain instructions to the local customs authorities directing them carefully to watch shipments of yarn from Bombay to Singapore, Java and other places, with a view to the institution of prosecutions for short reeling under sections 6 and 7 of the Indian Merchandise Marks Act, 1889. The instructions were, however, at variance with orders issued by the Government of India under the instructions of the Secretary of State, regarding the prosecution of offences relating to short-reeling of yarn in Indian mills; and were also opposed to their general policy of non-interference in regard to yarn for export, which was adopted after an exhaustive and very careful consideration of the subject. The Government of Bombay were accordingly requested to withdraw the instructions in question. The Local Government represented that they did not consider it advisable to withdraw the orders already issued and requested that, in view of the circumstances urged by them, they might not be pressed to do so. The Government of India, however, explained the considerations on which their previous decision was based and adhered to it, and the orders of the Local Government were withdrawn.

Withdrawal of certain orders issued by the Government of Bombay regarding the examination by the customs authorities at the port of Bombay of suspected shipments of short-reeled yarns.

The first edition of the Merchandise Marks Manual, the compilation of which was decided upon during Lord Curzon's Administration, was issued in March 1908. The book included the executive instructions relating to the administration of the Merchandise Marks Act issued from time to time by the Government of India, and certain supplementary rules of a general character to assist customs officers in the interpretation of the provisions of the Act. The Manual was prescribed for the guidance of customs officers at all British Indian ports, in supersession of all previous instructions of the Government of India regarding the administration of the Act.

Merchandise Marks Manual.

The edition issued in 1908 was exhausted within a short time, and as demands for the book from various quarters continued, a second and revised edition of the Manual was issued in April 1910. This edition introduced a few modifications in the rules which the experience of their working had shown to be necessary.

On the publication of the Merchandise Marks Manual in 1908 the opportunity was taken to modify the rules requiring a specific indication of the country of origin to be marked on goods imported into India, a question to which reference was made in pages 24 and 25 of this Department's Summary of Lord Curzon's Administration. Rules were embodied in the Manual providing that in the case of goods made or produced beyond the limits of the United Kingdom or British India, to which is applied a trade description or indication other than the name or trade mark of a manufacturer, dealer or trader in the United Kingdom or British India, indicating that they

Requirements of the Merchandise Marks Act as to the marking of foreign goods.

were made or produced in the United Kingdom or British India, no definite indication of the country of origin should be required; and that such expressions as "Made abroad", "Not made in the United Kingdom or British India", "Foreign make", "Foreign produce", and similar expressions should be accepted as counter-indications sufficient to render admissible a trade description which would, if unaccompanied by any such qualifying phrase, be held to be a false trade description. Similarly with regard to goods made or produced in one country but bearing a false trade description indicating that they were made or produced in another country, customs officers were permitted to accept as a sufficient counter-indication expressions such as "Not made in X" (X being the country in which, from the false trade description, the goods might be supposed to have been manufactured).

Registration of
Trade Marks.

The question of introducing a system of trade marks registration in India was considered on several occasions during Lord Curzon's Viceroyalty; but the proposal was consistently rejected, as the commercial community in the country and the Local Governments were opposed to it. In 1903 the Association of Chambers of Commerce of the United Kingdom again represented the matter to the Secretary of State, but the Government of India adhered to their previous decision. In 1908 the Association submitted a further memorial to the Secretary of State in which they suggested that the opinion of the commercial community in India had recently undergone a change in favour of registration and the Secretary of State again asked for the views of the Government of India on the question. The Local Governments and the commercial community were consulted and the replies showed that, with the exception of the Upper India Chamber of Commerce and the Madras Trade Association, all the more important commercial bodies in India were still strongly opposed to the introduction of a system of registration. The result of the enquiries made was communicated to the Secretary of State, and he was informed that, in the circumstances, the Government of India saw no reason to modify the view previously expressed by them.

Cotton Excise Duties.

Annual revision of
tariff values of cot-
ton goods.

In July 1905, the question of the intervals at which the tariff values of cotton goods taxable under the Cotton Duties Act of 1896 should be revised came before the Government of India. It was represented that the half-yearly revisions tended to hamper trade, and to interfere with running contracts, while the fiscal advantages of such revisions were incommensurate with the embarrassment to trade occasioned thereby. The opinions of Local Governments and commercial bodies were invited, and it was found that, with the exception of the Bombay Chamber of Commerce, they were in favour of annual revisions in December of each year. It was decided to adopt this proposal, the right to revise the valuations at any period in the event of a material fluctuation occurring in the prices of cotton goods being specifically reserved.

Differentiation be-
tween calendered and
un-calendered cotton
goods for the pur-
poses of levy of ex-
cise duty.

The schedule of tariff valuations of cotton goods taxable under the Cotton Duties Act of 1896, published in December 1905, provided for the assessment of calendered goods on valuations 3 pies per lb. in excess of those fixed for un-calendered goods of the same class. In January 1906, the Bombay Millowners'

Association represented that there should be no differentiation between the locally manufactured calendered and uncalendered goods, because—

(1) though this had not always been the case, calendering as carried out in Indian mills did not increase the value of the cloth for sale purposes; and

(2) as calendering had become almost universal, the prices on which the tariff valuations had been based were in fact the prices of calendered goods, and that these valuations should therefore be applied, without any enhancement, to the assessment of such goods.

On the advice of the Director-General of Commercial Intelligence, the Government of India declined to admit that the tariff valuations published in December 1905 represented the prices of calendered goods, but agreed that the question of fixing future tariff valuations on the basis of values of calendered goods only—no differentiation being made between such goods and uncalendered goods—should be discussed by the Director-General of Commercial Intelligence with the Association prior to the next revision of the valuations.

The Director-General of Commercial Intelligence accordingly met the representatives of the Bombay Millowners in November 1903, and the question of assessing goods on the calendered values was discussed. It was pointed out by the Director-General that the proportion of calendered to uncalendered goods varies widely in different provinces and that those provinces in which calendering is not yet general would certainly object to having all their goods assessed on the values of their small quantities of calendered cloth. This was admitted by the meeting, and it was agreed unanimously that the present system of valuation should continue.

During 1905 doubts had repeatedly been expressed as to the correctness of the distinction then drawn between "Madras cloth" and "Imitation Madras cloth", for the purposes of assessment to excise duty under the Cotton Duties Act, 1896, and it was suggested by Messrs. Binny and Company, Madras, that in fairness these two cloths should at least be assessed at the same valuation. Enquiries which were made indicated that the constitution of "Madras cloth" on the one hand, and of "Imitation Madras cloth" on the other, varied so greatly that no reliable technical distinction of a cognizable kind could be established between these articles. It was also ascertained that considerable difference of practice prevailed at Bombay and Madras in regard to the actual assessment of these two classes of goods to excise duty. In these circumstances the Director-General of Commercial Intelligence recommended that the differentiation should be abandoned and that all goods included in either class should be assessed on an *ad valorem* basis. The Bombay Millowners' Association, who were consulted, raised no objection to the proposal, and a Notification directing that "Madras cloth" and "Imitation Madras cloth" should be assessed to excise duty on an *ad valorem* basis was issued in June 1906.

Abandonment of the differentiation between "Madras cloth" and "Imitation Madras cloth" for the purposes of assessment to excise duty.

In June 1906, the Government of Bengal submitted a representation from Messrs. Kilburn and Co., Calcutta, praying for exemption from the payment of excise duty under section 6 of the Cotton Duties Act, 1896, on cotton listing and belting produced at the Dunbar Mills. It was pointed out that cotton listing and belting required for driving machinery when imported from foreign countries were admitted free, and the Local Government recommended that

Exemption from the payment of excise duty under the Cotton Duties Act, 1896, of Indian made cotton listing and belting required for driving machinery.

listing and belting made in Indian mills and supplied direct to factories for the purpose of driving machinery might also be exempted from the payment of excise duty. The justice of the claim was recognised, but as the provisions of section 6 of the Cotton Duties Act are mandatory and as the Act does not contain any special provision for exemption similar to that conferred by section 23 of the Sea Customs Act, 1878, it was held that in the present state of the law the exemption asked for could not be granted.

In September of the same year a further representation on the same subject was received from the Bengal Chamber of Commerce, who reiterated the request for the exemption of these articles from the payment of excise duty on the ground that it was clearly not the intention of Government, when the Cotton Duties Act was passed, to impose an excise duty on locally manufactured goods, and to permit at the same time identical articles to be imported free of duty. The Local Governments were consulted and their replies indicated a general agreement that the interests at stake were not of sufficient importance to call for immediate remedial legislation. In view, however, of the fact that the intention of the Cotton Duties Act, 1896, is to levy excise duty only to the same extent as the import duties are levied, it was considered that it was inequitable to levy excise duty on Indian made cotton listing and belting required for driving machinery, while similar articles of foreign make were imported free. The Government of India therefore decided to remit the duty by executive orders.

Customs Administration.

The Imperial Customs Service.

As has been mentioned in the introduction to this chapter, various matters of detail relative to the introduction of the new Imperial Customs Service were dealt with during the period under review. During 1906 and 1907 the claims of the existing staff for appointment to the new department were considered and disposed of, and arrangements were made for regulating promotion. The originally sanctioned cadre of the service was increased afterwards by one appointment to provide for a second Assistant Collector at Karachi. It was also decided that the appointments of Collectors in the department should be included in the list of appointments the holders of which are eligible for the special additional pension of Rs. 1,000 a year; and all officers of the department appointed in England, as well as those appointed in India drawing pay of not less than Rs. 900 a month, were admitted to the European service leave rules. Provision was also made, on grounds of general policy, for the admission of Natives of India to the new service. This question arose with reference to the announcement by the Government of India, in their Resolution regulating the constitution of the service, that the Assistant Collectors, other than members of the Indian Civil Service, would *ordinarily* be recruited in England. The Bombay Presidency Association took these orders to mean that the Government had absolutely debarred Natives of India from employment in the department, and represented that the orders were opposed to well-established and long-recognised principles governing the recruitment of the various branches of the public service in this country. The Association was informed that there was nothing in the orders which prohibited the appointment of a Native of India, and that the Government of India were quite willing to make provision for the admission of Natives of India who were British subjects and possessed the requisite qualifications. It was,

however, pointed out that in so small a service it would be inconvenient to fix any particular proportion of appointments to be reserved for Natives of India, that competitive examination was not suitable for the Service, and that the appointments would be made wholly by selection either from among subordinates or by first appointments. In accordance with this announcement, two Indians with previous experience of Customs work were appointed as Assistant Collectors in the Service in 1908.

Various minor improvements were effected in the Customs Administration. Reforms at the
Custom Houses. The preventive and appraising establishments of the Calcutta, Rangoon, and Madras Custom Houses were strengthened to meet the growing demands of trade at those ports, and the pay and prospects of the staff were improved. At Calcutta the preventive staff was also increased in consequence of the abolition of the salt *rawana* system; and at Rangoon the construction of new steam launches and boats for the patrol and river inspection service of the department, and additional preventive staff and crews in connection therewith, were sanctioned. The preventive establishment of the Bombay Custom House was also strengthened. The clerical staff of all the six principal Custom Houses was increased to accelerate the disposal of Customs work; and the work of the Bombay Custom House was re-arranged with a view to facilitate the disposal of business and to simplify the existing procedure. An appraiser was for the first time sanctioned for the Chittagong Custom House; and the preventive establishment of the Custom House was strengthened and their pay increased. In order to obviate the necessity of making considerable additions to the preventive staff at Bombay and Rangoon, it was decided to allow the staff to draw overtime fees for work done in excess of 54 hours a week. The customs administration of the outports and land customs stations in the Madras Presidency was placed under the direct control of the Collector of Customs, Madras, and the existing staff was reorganized. The desirability of constructing quarters for the preventive staff at Rangoon and Bombay was admitted, and in the meantime the grant of a house rent allowance to the staff was sanctioned. In view of the character of the duties required from the Assistant Collector in charge of the Preventive Service at Calcutta, the local allowance already admissible to him was doubled in compensation for the loss of overtime fees, the payment of such fees being regarded as open to objection.

The systems of audit of accounts maintained in the principal Custom Houses were examined and were found to be defective and susceptible of much improvement in details. A revised system was outlined for adoption, and the Local Governments were asked to consider it. The new system was generally accepted as suitable, with the exception of the proposed audit of values, and steps were accordingly taken for its introduction. In the Calcutta, Bombay, and Rangoon Custom Houses new executive audit branches were organised for the purpose. At Karachi a small increase in the existing clerical staff was considered sufficient. In view of the fact that outports are more numerous and of greater importance in Madras than in other Provinces, the establishment of an audit branch for the chief outports in the Presidency as well as for the port of Madras was sanctioned. At Chittagong the appointment of a trained accountant and a checking clerk was considered sufficient.

The appointment is also contemplated of a travelling test audit staff, under a trained Accounts Officer, who will apply a test audit of two or three months accounts of all the principal Custom Houses at reasonable intervals in order to secure that the audit of accounts by the Customs staff is being properly conducted and that proper checks are not being omitted. This proposal has been accepted in principle by all the Local Governments concerned and a detailed scheme is being worked out.

CHAPTER V.

POST OFFICE.

The work of the Post Office has steadily increased during recent years. The numerous changes that have been made in the Postal Administration have been mainly directed towards the decentralisation of authority, the improvement of the pay and prospects of the staff, and the quickening, cheapening and extension of the service rendered to the public. Among the specific measures of the last five years the following may be specially mentioned.

(i) *General.*

In December 1905 the Government of India decided that the provision of interleaved stamp booklets for sale to the public, which were introduced as an experimental measure from the 1st April 1904, should be arranged for permanently. The booklets enable every one to carry about in a handy form and without the possibility of loss by adhesion to one another sufficient stamps for the every day transactions of an ordinary individual. Supplies were at first obtained from Messrs. De la Rue & Co., but these having proved unsatisfactory and the price being higher than the cost of making up the booklets in this country, it was decided in September 1906 to have the booklets made up at the Government Central Press, Calcutta. They contain 16 one-anna or 32 half-anna stamps and are sold for one rupee each. They have proved of much convenience to the public.

Stamp booklets.

In May 1906 the proposals of the Director-General for the improvement of inland and international postcards were accepted by the Government of India. The new international cards were to be of a stouter texture, and of the maximum dimensions permissible under the Regulations of the Postal Union, *viz.*, $5\frac{1}{2}'' \times 3\frac{1}{2}''$; while the inland cards were to be of the same size as formerly, but stouter. The cost of the change was estimated at Rs. 69,000 per annum for the first five years, but two important advantages were gained. The stouter cards can be sorted more rapidly in the Post Office, and the millions of postcards of private manufacture which pass through the post are of substantial material, for the rules require that cards of private manufacture must not be of inferior texture to the cards provided by the Post Office.

Introduction of improved international and inland postcards.

In May 1907 it was decided to re-impose the prohibition, which had been withdrawn in March 1905, against the use of stamps cut from embossed envelopes and newspaper wrappers, in payment of postage. The permission to use such stamps was not appreciated by the public, who felt that, so far from being a concession, it deprived them of a safeguard against the possibility of the theft by private servants of postage stamps embossed on letters entrusted to them to post.

Re-imposition of the prohibition to the use of cut out stamps as adhesive labels.

The prohibition against the penmarking of postage stamps, which was found necessary on the introduction of unified postage and revenue stamps, gave rise to a number of complaints from certain sections of the public. It was considered that they might reasonably demand easy means of obtaining proof that their letters had reached the Post Office, and that the existing facilities in this direction should be extended. It was accordingly decided to reduce the charge for a certificate of posting in respect of any postal article for which a receipt is

Reduction of the charge on certificates of posting.

not given by the Post Office from $\frac{1}{2}$ anna to $\frac{1}{4}$ anna, in all cases, with effect from the 15th February 1906. The certificate covers six or any smaller number of articles in the case of unregistered parcels and unregistered V. P. packets, and three or any less number in the case of unregistered letters or of unregistered articles other than those already mentioned.

Abolition of the discount on the sales of postage stamps and postal stationery granted to postal officials and stamp vendors.

With effect from the 1st April 1907, the Government of India decided to abolish the system of granting a discount of a quarter-anna in the rupee, which had up till then been allowed to postal officials and licensed stamp vendors on sales of postage stamps and postal stationery. The system of granting discount was introduced over half a century ago in order to promote the sale of stamps, but this means of stimulating their sale was considered no longer necessary, and the system had been found to work inequitably in practice and to occasion considerable administrative inconvenience. To obviate the possibility of inconvenience to the public, arrangements were made to render it compulsory for licensed stamp vendors to maintain a week's supply of half-anna and one-anna unified postage and revenue stamps.

Reduction in the rates of poundage on British postal orders of certain denominations.

With effect from the 1st of July 1906 the rates of poundage levied on British postal orders in the United Kingdom were reduced to $\frac{1}{2}d.$ on all orders for amounts from 6d. to 2s. 6d., and to 1d. on all orders from 3s. to 15s. As India is a party to the scheme for the issue and payment of British postal orders throughout the Empire, the rates were reduced in this country from the same date.

Prohibition of unpaid inland postcards of private manufacture.

In July 1910 it was found that the privilege of sending postcards of private manufacture "bearing" was being seriously abused, and that the payment of the postage due was frequently entirely evaded. It was therefore decided to make the prepayment of postage on inland cards of private manufacture obligatory.

Amendment of the Post Office Savings Banks rules re investments in Government securities through the agency of the Post Office.

Investment certificates issued by sub-post offices.

With effect from the 1st August 1906 the Post office Savings Banks rules regarding investments in Government securities through the agency of the Post Office were revised in order to simplify and popularise the system. Under the former rules considerable delay necessarily occurred before the investment certificate could be furnished to the investor; and the popularity of the system suffered in consequence. Under the new system the investment certificate is handed across the counter of the Post Office at the time when the application for investment is made. To commence with, this arrangement was confined to head post offices and applications made at sub-offices were forwarded to the head office for the issue of an investment certificate; but as the system proved very successful and was much appreciated by the public it was extended to all sub-post offices doing Savings Bank work throughout the country with effect from the 15th September 1907.

Savings Banks. Admission of accounts held in trust for the relief of the poor, etc., whether managers of such funds are public officers or not.

Prior to September 1906 the rules for the guidance of depositors in the Post Office Savings Bank prohibited the opening of accounts in respect of money held in trust by any public officer, the object of this provision being to prevent the payment of interest by the Government on money of which it would in any case have had the use. This restriction operated in practice to prevent the opening of accounts in respect of money, not the property of the Government, by managers of funds held in trust for the relief of the poor, education, medical

relief, or the advancement of other similar objects of general public utility. The Government of India saw no objection to encouragement being afforded to trusts of this nature in cases where the money is not the property of the Government, and they decided in September 1906 to permit accounts for such funds to be opened by the managers irrespective of the question whether they are Government servants or not.

In 1905 the rate of interest allowed on Post Office Savings Banks deposits which had previously been $3\frac{1}{2}$ per cent, was reduced to 3 per cent in the case of ordinary cash deposits, while an increased rate of $3\frac{1}{4}$ per cent was sanctioned on such deposits as the depositors might declare to be not liable to withdrawal without six months' notice. After a prolonged trial, however, it was found that the system of deposits held subject to six months' notice of withdrawal had failed to find favour with the public, while it had thrown a great deal of additional work on the Post Office and Audit Offices and had led to the introduction of a complicated accounts procedure which was not readily understood and observed at the smaller post offices. It was therefore decided that with effect from the 1st January 1911, the system of deposits in the Post Office Savings Bank subject to six months' notice of withdrawal should be abolished. The rate of interest on deposits at call will remain at 3 per cent but the maximum limit of annual cash deposits will be raised from Rs. 200 to Rs. 500.

Abolition of the system of deposits subject to six months' notice of withdrawal and increase of the maximum limit of annual cash deposits from Rs. 200 to Rs. 500.

The Actuary at the India Office recommended in January 1907 that the sums assured in the Life Branch of the Postal Life Insurance Fund should be increased by 10 per cent. In view of the satisfactory financial position of the Fund, the Government of India decided to accept this recommendation, and, with effect from the 1st April 1907, the sums eventually payable in respect of existing policies in the Life Branch of the Fund have been increased by 10 per cent. Similarly, the premia payable in respect of sums assured on and after that date have been correspondingly reduced.

Increase by 10 per cent of the sums assured in the Life Branch of the Postal Life Insurance Fund.

In consequence of a representation made by the Director-General of the Post Office in June 1906, the Government of India recommended to the Secretary of State that, subject to the advice of the Actuary at the India Office, the Postal Insurance Fund Rules should be modified so as to admit of the following concessions:—

Modification of the Postal Insurance Fund Rules in favour of subscribers.

- (a) The grant of the full actuarial surrender value of a policy admissible without loss to the Fund, instead of half that amount.
- (b) The payment of the full surrender value of lapsed policies at any time after default, on application being made.
- (c) The conversion of a life policy with monthly payments payable till death into a life policy with monthly payments payable to a specified age, or into a fully paid-up policy payable at death.
- (d) The conversion of an endowment assurance into a paid-up policy payable at death or at a specified age.
- (e) The reduction of their monthly premiums by policy holders of life or endowment policies to any desired extent, from any specified date.

These proposals were accepted by the Actuary, and were agreed to by the Secretary of State. The revisions necessary in the rules of the Postal Life

Insurance Scheme were sanctioned by the Government of India with effect from the 1st July 1907.

Modification of the rules re the transmission of value payable articles so as to prevent the expansion of the "snow ball" system of trading.

In September 1906 it was brought to the notice of Government that the value payable post was being freely utilised by a number of firms, in the Punjab in particular, for trading by what is commonly known as the "snow-ball" system. After considerable discussion it was eventually decided in May 1907 that to prevent any expansion of the "snow-ball" system of trading, the rules on the subject of the transmission of value payable articles should be amended so as to provide, (1) that articles transmissible by the value payable post should not contain coupons, tickets, certificates or introductions designed for the sale of goods on what is known as the "snow-ball" system, and (2) that the Director-General of the Post Office should be authorised to notify post offices at which the sender of a value payable article should be required to declare that the article was one the transmission of which by the value payable post was permitted. No value payable postal article would be accepted at offices thus notified without such further declaration, and it was anticipated that the power thus delegated to the Postal authorities would enable them to frustrate endeavours to start the scheme in one place when it had effectually been put down in another. The action taken has been entirely successful.

Abandonment of the proposal for the introduction of a system for the exchange of value-payable parcels between India and the United Kingdom.

In August 1907 the Secretary of State, at the instance of His Majesty's Postmaster General, forwarded for consideration a proposal that India should participate in a scheme for the establishment of an exchange between the United Kingdom and British possessions abroad of packets and parcels to be paid for on delivery. Similar proposals had, on two previous occasions, been abandoned owing to the opposition of the trading community, and the Government of India therefore considered it right to ascertain the views of Local Governments and of the Indian public before deciding to enter into the new system. The replies received shewed that the opinions for and against the scheme were almost equally balanced. As might have been expected, while the opinions of the consumers were in favour of the proposal, the Trades Associations, who represent the retail shopkeepers, were opposed to it. The view which the Government of India formed, after full consideration of the arguments on either side, was adverse to the adoption of the scheme, and they were strongly influenced by the fact that, if it were proceeded with, the interests of traders in India would to a certain extent be prejudiced in favour of British retail dealers. It was considered that Government could not afford to put aside the objections raised by business people in this country, for their attitude had a political aspect which could not be ignored. The Secretary of State was, therefore, informed in February 1909 that the Government of India were unwilling to enter into the arrangement proposed by His Majesty's Postmaster-General, and in March 1909 the Secretary of State intimated that he concurred in the views expressed by the Government of India.

Postal Congress at Rome.

The Sixth International Postal Congress was held in Rome in April 1906. The Indian Post Office was represented by Mr. H. M. Kisch, C.S.I., a retired officer, who had on more than one occasion officiated as Director-General of the Post Office of India, and by Mr. E. A. Doran, C.I.E., Postmaster-General of Bengal. The most important result of the Congress, so far as India is concerned, was the alteration made in the rates of postage on letters, which is separately described

below. But changes of some importance were also made in the territorial and sea transit rates and in the Parcel Post Convention.

The territorial and sea transit rates regulate the financial adjustments which are made periodically between the postal administrations, which are members of the Postal Union. At the Washington Conference of 1897 it was decided that transit payments should ordinarily be made on the basis of the statistics of 1896, but owing to the growth of mail matter this arrangement had become unsatisfactory. A scheme for regulating transit payments put forward by the British delegation and based on the system in force before the Washington Congress, was therefore adopted. This provides for an enumeration once in six years as the basis of transit payments, and for different charges for the transit of letters, postcards and other articles, the number of services treated as extraordinary and subject to special remuneration beyond the control of the Convention being reduced. The new rates adopted at Rome were substantially lower than those in force under the Washington Convention.

At the Washington Conference, when this Administration adhered to the Parcel Post Convention, a special rate was conceded to India, in virtue of which she was entitled to levy not only the Union territorial rate of 50 centimes, but also an additional transit rate of 50 centimes and a special surtax of 1 franc and 25 centimes. These special rates were originally imposed in the case of the parcel exchanges with countries belonging to the Postal Union, in order to prevent competition with the exchange with the United Kingdom. But since adhering to the Union Parcel Convention, India had become a party to the Imperial Parcel Postage scheme of the British Post Office, and parcels were exchanged between India and the United Kingdom and a large number of British possessions at the cheap rates of postage provided for by that scheme. It was therefore decided with the concurrence of His Majesty's Government, that the Indian delegates to the Congress should be instructed to announce that India was prepared to dispense with the special concessions given to her at Washington, and that she would conform to the article of the Convention which allows 50 centimes as the normal territorial transit charge, and be satisfied with a place in the article of the Convention which provides a surtax of 75 centimes in favour of a large number of countries. The reduction took effect from the 1st October 1906.

In December 1906 the Government of India decided to ratify formally the Conventions and arrangement signed on their behalf by their delegation, and an intimation of their decision was conveyed to His Majesty's Secretary of State during that month. The ratification was deposited at Rome by Great Britain, acting for the British possessions and dependencies, in June 1907, and the changes came into force from the 1st October 1907.

From that date, therefore, with the approval of the Secretary of State several important reductions were made in the rates of postage levied on letters and parcels. In accordance with the Postal Convention settled at Rome the unit of weight for letters exchanged between all countries belonging to the Postal Union was fixed at 20 grammes, but, at the request of the representatives of the British Post Office, all British possessions were permitted to treat one ounce as the equivalent of 20 grammes. It was also decided at the Postal Congress that, while the initial Union rate of postage should remain at 25 centimes ($2\frac{1}{2}$ annas), subsequent rates should be reduced to 15 centimes ($1\frac{1}{2}$ annas).

Reduction of the inland and foreign letter and inland parcel postage rates.

for every 20 grammes. The rate for letters exchanged between British possessions and other Union countries was therefore reduced from $2\frac{1}{2}d.$ per half ounce *plus* $2\frac{1}{2}d.$ for each additional half ounce to $2\frac{1}{2}d.$ an ounce *plus* $1\frac{1}{2}d.$ for each additional ounce. In the case of letters exchanged between the countries participating in the Imperial Penny Postage scheme, the rate was reduced to $1d.$ per ounce *plus* $1d.$ for each additional ounce.

The reduction of the foreign letter rate necessitated a reduction of the ordinary inland letter rate, as it would clearly have been anomalous if the Indian Post Office carried only $1\frac{1}{2}$ tolas for one anna in the case of inland letters, and $2\frac{1}{2}$ tolas (the equivalent of 1 ounce) for the same amount in the case of foreign letters. The weight allowed in the inland letter post of Great Britain is 4 oz. (or nearly 10 tolas) for $1d.$, and it was accordingly decided to adopt a 10 tola rate, so as to bring the Indian inland rate into conformity with that in force in the United Kingdom and with the inland rate already in force for official correspondence in India. It was also decided that the limit of weight of inland letters to be carried for $\frac{1}{2}$ anna should be increased from $\frac{3}{4}$ to 1 tola.

A reduction of the parcel rates was a necessary accompaniment of the adoption of the 10 tola rate for letters. The Director-General of the Post Office strongly represented that the existing high initial rates for parcel postage constituted a serious hindrance to the development of the parcel traffic, and it was believed that the introduction of reduced rates would lead to a rapid increase of this class of business. It was accordingly decided that the rates of parcel postage should be reduced from 4 to 2 annas for the first 40 tolas.

Reduction of the inland rates of postage on newspapers.

With effect from the 1st October 1903 the inland rates of postage on newspapers were reduced. Prior to that date a newspaper not exceeding 6 tolas in weight was carried for $\frac{1}{4}$ anna, and one not exceeding 20 tolas for $\frac{1}{2}$ anna. These limits were raised to 8 and 40 tolas respectively. It was estimated that the sacrifice of revenue entailed by the grant of these concessions would be about Rs. 30,500 a year, but that a large portion of the loss in respect of the heavier newspapers would be on Government Gazettes, and would thus not be a real loss of revenue to the State.

Reduction of the maximum limit of weight of inland parcels conveyed by post from 200 to 800 tolas, and increase of the limit of weight of official parcels from 600 to 800 tolas.

From the same date the limit of weight of private parcels carried by post was reduced from 2,000 tolas (25 seers) to 800 tolas (10 seers), and the limit of weight of official parcels was simultaneously raised from 600 to 800 tolas, so that the limits might be uniform. These changes were made because, owing to the great extension of railways in India, the facilities formerly offered by the Post Office were no longer required. The statistics furnished by the Director-General of the Post Office of India showed that only a few parcels exceeding 10 seers in weight were sent by post, but these heavier parcels were nevertheless a source of embarrassment to the Post Office, and the opportunity was taken to get rid of the extra weight as soon as this could be done without inconvenience to the public.

Imperialisation of district post charges.

Since the year 1903, district post establishments financed by provincial revenues had been imperialized from time to time, as revised settlements had been made with the provincial Governments. In April 1906 all district post charges hitherto borne by local revenues were also taken over as part of a scheme for the remission of local taxation, except in Burma, Assam, the Punjab and the North-West Frontier Province. Subsequently the Government of

India decided that it was advisable, for financial reasons, to debit this remnant of the charges on account of the district post wholly to Imperial revenues, and orders to this effect were passed in November 1906. Under these orders no postal charges whatsoever are defrayed from Provincial or local funds; the adjustments hitherto made in respect of local lines established for administrative purposes are prohibited, and, in lieu thereof, an annual grant approximately equal to the provincial and local contributions for the year 1905-06 is placed at the disposal of the Director-General of the Post Office.

In July 1906 the opportunity was taken of a visit made by the Director-General of the Post Office to Hyderabad to renew the attempt to induce that State to agree to the amalgamation of the State posts with the Imperial Post Office. In view of the objection of His Highness the Nizam to the loss of the emblem of sovereignty afforded by the use of the Moghlai postage stamps, it was proposed that, should the Nizam's Government be prepared to entertain favourably the idea of amalgamation, all postal articles posted in the States should bear, in addition to the British postage stamps, the stamps used by the Hyderabad State which would be affixed free of charge. It was hoped that by this means it might be found possible to surmount His Highness' objections. The attempt, however, proved unsuccessful, and the Nizam declared himself unable to entertain any proposal which would involve the withdrawal of the administration of the posts from his control. The Nizam's Government, however, expressed themselves anxious to improve the working of their Postal Department, and to this end they asked for the loan of the services of an officer of good standing and proved efficiency from the Indian Post Office. It was recognised by the Government of India that further efforts towards the establishment of postal unity would necessarily have to be postponed indefinitely; but, in the absence of amalgamation, it was considered that the next best thing to secure was that the State posts should be worked on sound principles corresponding as closely as possible to those of the British Post Office. The Government of India therefore decided to accede to the Nizam's request; and Mr. Knox Homan, a Deputy Postmaster-General, was lent to the State for a period of five years with effect from December 1906.

Proposed amalgamation of the Moghlai posts with the Imperial Post Office. Deputation of Mr. Knox Homan to re-organise the postal system of the Hyderabad State.

A further step in the direction of the uniform administration of the postal system throughout India was taken in 1908, when the Indore and Bhopal States Posts were amalgamated with the Imperial Post Office. The Indore State Post was amalgamated in March, and as a concession to the sentiment of the Council, in respect of the retention of the Holkar State stamps bearing the portrait of His Highness the Maharaja, it was decided that for official correspondence of the Indore State, posted at offices in the State for delivery within the State, the Holkar State stamps for the time being in use should be recognised as valid in payment of postage. For State correspondence despatched to territories outside the State a free grant of British Indian Service stamps of the value of Rs. 25,000 was provided.

Unification of the Indore and Bhopal States Posts with the Imperial Post Office.

The Bhopal State Post was amalgamated with the Imperial Post Office in July 1903. Among the conditions of the arrangement it was provided—

- (1) that the Imperial Post Office should supply Service stamps to the Durbar free of cost according to the actual requirements of the State; and

- (2) that all stamps and seals used in post offices in the State should bear the name "Bhopal State" upon them, and that the obliterator should bear the Bhopal coat-of-arms.

Strike of the postmen of Bombay.

In August 1906 a strike occurred at Bombay of the postmen in the General Post Office and its Town Sub-Offices, which was happily unattended by any serious consequences. The strikers were dissatisfied with their pay and the conditions of their service, and submitted various memorials to the local postal authorities on the subject. These were sympathetically considered; and, although it was impossible to concede all their demands, the pay of several grades was revised and substantial increases were given. These concessions, however, still left the men discontented, and the visit of the Director-General brought matters to a head. The postmen decided to present their grievances to the head of the department in a body; and on the Director-General refusing to deal with anything but a deputation of the senior men, they struck work.

The men were reasoned with and exhorted to resume work both by the Commissioner of Police and the postal authorities, but they remained obdurate and the strike continued for about a week. The men hoped that the disorganization of the postal service, which they trusted would ensue, would force the Government to yield. The moment chosen was opportune, being just before the arrival of the English mail, and matters at first looked serious. But extra postmen were requisitioned by telegram from other parts of the Presidency, and with the loyal co-operation of the Bombay City Police, whose assistance prevented any grave dislocation of business, order was speedily restored, and the public suffered the minimum of inconvenience possible in the circumstances.

Finding their plans defeated, some of the strikers tendered their submission in the course of the first few days of the strike, but the majority, including the ringleaders, hesitated, being doubtful of the intentions of the Government. When these were made clear, they returned in a body and the whole of the recalcitrant postmen were again at work within nine days of the strike. As a matter of policy, and in the peculiar circumstances of the case, no punishment was inflicted on the strikers, and even the ringleaders were reinstated without forfeiture of past service.

(ii) *Foreign.*

Compensation for loss of uninsured parcels between India and Ceylon and certain other Colonies.

From the 1st January 1906 an arrangement was entered into with the Government of Ceylon by which compensation, not exceeding Rs. 15, may be paid in respect of uninsured parcels exchanged between India and Ceylon, in the event of such parcels being lost or damaged while in transit by post. It was considered desirable that the public should be given the advantage of a rule of the Union Parcel convention, to which India is a party, though Ceylon is not.

Similar arrangements were subsequently made with the Postal Administrations of Hong Kong, Gibraltar, New Zealand and Mauritius.

Introduction of penny postage between India and Egypt.

In December 1905 the Secretary of State informed the Government of India that penny postage was about to be adopted between the United Kingdom, and Egypt (including the Soudan), and that similar arrangements might be made between Egypt and any British possession included in the Imperial penny postage scheme. The Director-General of the Post Office was therefore authorised to enter into communication with the Egyptian Post Office, and the penny letter post between India and Egypt was arranged with effect from the 1st January

1906. India had from the first signified her willingness to join the scheme for the adoption of penny postage throughout the British Empire, and it was considered right on general grounds that she should accede to this arrangement, the first of its kind, for extending penny postage beyond the limits of the Empire. Although the amount of correspondence sent to Egypt from India is not large, postal business between the two countries is constantly increasing, while the advantages to be derived from the cheapening of the rates were likely to be specially appreciated by Muhammadans in India.

In January 1909, the Secretary of State for India sanctioned a proposal for the application of the Imperial penny rate of letter postage to letters exchanged between the British Indian Post Offices at Bahrein, Guadar and Muscat and the United Kingdom and the British possessions participating in the Imperial Penny Postage Scheme.

With effect from the 1st January 1906 the rate of postage for postcards sent from Australia to this country was reduced from $1\frac{1}{2}d.$ to $1d.$ The latter rate, which is the ordinary Union rate, was already in force for postcards sent from this country to all parts of the world but the Australian Colonies had been allowed to charge the higher rate of $1\frac{1}{2}d.$ for each postcard sent by them to Union countries.

In February 1906 the Director-General reported that he had arranged for the extension of the concession of writing communications on the address side of private postcards sent by the inland post to postcards—both those of private manufacture and the official foreign postcards issued by the Post Office—sent from India to the United Kingdom, Egypt or any of the British possessions which were parties to the Imperial Penny Postage Scheme. Under the Postal Union rules this is not admissible, and postcards not complying with the regulations are treated as insufficiently paid letters, but when the postage charged on a postcard is the same as the minimum rates of letter postage the Union provision is practically inoperative.

The Ceylon Post Office having reduced the scale of commission chargeable on India-Ceylon telegraphic money orders in Ceylon to a uniform rate of 10 cents ($1\frac{3}{4}$ annas) for every Rs. 10 or part of that sum, remitters in that Colony were placed in a more favourable position than remitters in this country. It was, therefore, decided that the rates of postal commission leviable on inland telegraphic money orders which was introduced in January 1906 should also be applied to telegraphic money orders drawn in India on Ceylon with effect from the 1st July 1906.

From the 1st December 1909, an exchange of correspondence was established between India and China *via* Kengtung and Ssumao, and an agreement was concluded with the Chinese authorities providing for this exchange as well as for the existing exchange *via* Bhamo and Tengyueh.

(iii) *Administrative re-arrangements, establishments, etc.*

In March 1906, the Director-General of the Post Office submitted proposals for revising the rates of pay drawn by the different grades of Deputy Postmasters-General, which were as follows:—

					Rs.
1st grade	...	...	...	...	1,000—1,400
2nd grade	...	...	...	...	750—1,000
3rd grade	...	...	...	...	700

Inclusion in the Imperial Penny Postage scheme of the British Indian Post Offices at Bahrein, Guadar and Muscat.

Reduction of rate for postcards sent from Australia to India.

Written communications on the address side of foreign postcards.

Application of existing rates of the postal commission on inland telegraphic money orders to telegraphic money orders drawn in India on Ceylon.

Exchange of correspondence between the Postal Administrations of India and China.

Increase in the rates of pay of the different grades of Deputy Postmasters-General and inclusion of the appointment of Deputy Inspector-General of the Railway Mail Service in the 3rd grade of Deputy Postmasters-General.

It had been recognised for some time that Rs. 700 was a rate of pay altogether inadequate for an officer who had to perform the responsible duties of a Deputy Postmaster-General, and the Government of India therefore recommended to the Secretary of State the adoption of the following scale :—

					Rs.
1st grade	...	...	...	...	1,200—1,400
2nd grade	...	...	...	...	1,000
3rd grade	...	...	...	...	800

This proposal, and the suggestion that the appointment of Deputy Inspector-General of the Railway Mail Service should be included in the 3rd grade of Deputy Postmasters-General, were sanctioned by the Secretary of State in August 1906.

Improvement of the pay and prospects of head, deputy, assistant and sub-postmasters.

One result of the abolition of the discount on the sales of postage stamps was to deprive a large number of postal officials of a source of remuneration which they had enjoyed for many years. In May 1907 the Director-General of the Post Office of India submitted a scheme for raising the pay of the officers principally affected, and thereby compensating them for the reduction which their emoluments had undergone. At the same time the opportunity was taken to introduce a more compact and scientific grading in the case of head postmasters, and to improve the pay and prospects of the whole body of postmasters.

The specific proposals laid before His Majesty's Secretary of State were—

- (a) that the pay of sub-postmasters throughout the country, in receipt of less than Rs. 100 per mensem, should be revised, the increased cost being Rs. 66,000 a year ;
- (b) that the sixteen existing grades of head postmasters should be abolished and be replaced by seven grades, the minimum and maximum pay of the cadre being fixed at Rs. 100 and Rs. 500—20—600, respectively. This proposal involved an additional expenditure of Rs. 1,14,040 per annum ;
- (c) that the pay of the appointments should remain localised, and, with the exception of the lowest grade, should be incremental ;
- (d) that the pay of 22 deputy and 5 assistant postmasters in the most important postal centres should be revised at a cost of Rs. 13,940 per annum ; and
- (e) that the pay of 14 sub-postmasters in charge of the larger sub-post offices should be raised at a cost of Rs. 6,420 per annum ;

The total cost of these proposals aggregated approximately two lakhs of rupees, but as the total saving due to the abolition of discount amounted to three lakhs, a substantial saving still accrued to the State.

The proposals of the Government of India received the sanction of the Secretary of State in May and August 1907.

In October 1907 the Secretary of State sanctioned certain measures recommended by the Government of India for the improvement of the pay of the supervising staff of the Presidency post offices and the post offices of Rangoon and Lahore. These offices stand in a class by themselves, and in postal importance are far ahead of all other post offices in India. The pay of the postmasters was raised at a cost of Rs. 13,780 per annum, and of the deputy and assistant postmasters and other higher officials in these offices at a cost of Rs. 28,580.

Revision of the pay of the Presidency Postmasters of Calcutta, Bombay and Madras, the Postmasters of Lahore and Rangoon and certain other officials attached to these offices.

In September 1906 His Majesty's Secretary of State sanctioned certain proposals which had been laid before him for strengthening the staff of Superintendents in the Post Office by 12 additional appointments. This measure was necessary to re-establish the reserve of 12 officers created in 1904 in order to provide for leave vacancies, deputations, etc., which had since been exhausted by the creation of new appointments to meet the expansion of the work of the department. The opportunity was taken to accelerate promotion by distributing these new appointments over the three highest grades. The rule that an officer should not be promoted to the first grade unless he was considered fit for the position of a Deputy Postmaster-General, which had been found embarrassing in practice, was abolished, owing to the impracticability of enforcing it with a greatly enlarged first grade. This grade, however, remains a special grade to which promotion is made by selection. In August 1908 the cadre was further increased by ten new appointments of superintendents in order again to reconstitute the reserve which had been depleted by transfer to the administrative staff. With these additions the staff now consists of 172 appointments, distributed as below :—

Addition of 12 appointments to the cadre of Superintendents of Post Offices.

1st grade	...	...	...	...	...	11
2nd grade	...	...	...	...	...	33
3rd grade	...	...	...	...	...	48
4th grade	...	...	...	...	...	48
5th grade	...	...	...	...	...	32
Total						172

In February 1907 the Government of India placed before the Secretary of State certain proposals for the reorganisation of the Railway Mail Service, devised with the object of rendering that branch of the postal service sufficiently elastic to meet the rapidly growing demands which the expansion of postal work made on it, and of enabling it to discharge its important duties more efficiently. Their recommendations comprised—

Reorganisation of the Railway Mail Service.

- (a) the centralization of the Railway Mail Service all over India, with the exception of Burma ;
- (b) the extension of the scope of Railway Mail Service work by entrusting to it, as far as possible, all non-local sorting ;
- (c) the division of the whole of India, excluding Burma, into four circles, each in charge of a controlling officer with the designation of Inspector-General of Railway Mail Service and Sorting ;

- (d) the gradation of these officers with Deputy Postmasters-General, involving the addition of an appointment in each of the three grades of Deputy Postmaster-General; the abolition of the appointment of the Inspector-General of the Railway Mail Service; and the alteration of the designation of the Deputy Inspector-General of the Railway Mail Service to Inspector-General of Railway Mail Service and Sorting;
- (e) the provision of a Personal Assistant for each Inspector-General, to carry out the routine work of the office.

The Secretary of State approved these proposals in March 1907, but the introduction of the new system was deferred until the retirement of the Inspector-General of the Railway Mail Service in June 1907, when it was brought into effect. The cadre of Deputy Postmasters-General, as reconstituted, is as follows :—

			Rs.			No.
1st grade	...	...	1,200—1,400	...	...	2
2nd grade	...	...	1,000	...	...	4
3rd grade	...	...	800	...	...	3

In December 1906 the Government of India submitted for the approval of the Secretary of State proposals for—

Amalgamation of minor circles of Eastern Bengal and Assam and appointment of a Postmaster-General for the whole of the new Province. Creation of a 2nd appointment of Deputy Director-General of the Post Office.

- (1) the amalgamation of the two minor postal circles of Eastern Bengal and Assam, and the formation in their place of one major circle comprising the whole of the new Province, and administered by a Postmaster-General;
- (2) the attachment of the two Deputy Postmasters-General set free by the abolition of the minor circles to the offices of the Postmasters-General, Punjab and Bengal;
- (3) the creation of a second appointment of a Deputy Director-General of the Post Office, on the grade pay of a Postmaster-General, with a local allowance of Rs. 200 a month in addition to his pay.

The Secretary of State accepted these recommendations, remarking that he considered them advisable in view of the size and postal importance of the new Province, and of the steadily increasing volume of postal work in other parts of India.

Abolition of the minor circle of Sind and Baluchistan and transfer of the Deputy Postmaster-General of that circle to Madras for employment as Deputy Postmaster-General.

In order to secure greater uniformity and efficiency in postal administration the Government of India recommended to the Secretary of State—

- (a) that the minor circle of Sind and Baluchistan should be abolished, Sind being transferred to the Bombay circle and Baluchistan to the Punjab circle;
- (b) that the Deputy Postmaster-General, whose services thus became available by the abolition of the minor circle, should be transferred to Madras for employment as Deputy Postmaster-General of that circle.

These proposals were sanctioned by the Secretary of State in May 1907, and the changes were introduced with effect from the 1st July 1907.

In April 1908, the Secretary of State sanctioned the abolition of the two remaining minor postal circles in India (Rajputana and the Central Provinces), and their amalgamation in one major circle to be called the Central Circle, under the administration of a Postmaster-General. The new circle was not, however, actually formed until 1st April 1909. The two Deputy Postmasters General set free by the amalgamation of the two minor circles were transferred to Bombay and the United Provinces for employment as Deputies to the Postmasters-General of those circles. The Personal Assistant attached to the office of the Deputy Postmaster-General, Central Provinces, and one of the three existing Personal Assistants to the Postmaster-General, United Provinces were utilised to afford the necessary assistance to the Postmaster-General of the new circle.

Amalgamation of the minor circles of Rajputana and the Central Provinces and appointment of a Postmaster-General for the new circle to be called the Central Circle.

The need for decentralisation in the Post Office was brought before the Government of India in 1907, and during the years 1908 and 1909 orders were issued by which the powers both of the Director-General and of the heads of circles were substantially increased. In the case of the Director-General the limit up to which new appointments might be sanctioned was raised from Rs. 100 to Rs. 300 a month. The amount of office rent which the Director-General was empowered to sanction was similarly increased, while he was also empowered to enter into contracts for the carriage of mails not exceeding Rs. 25,000 a year in each case.

Delegation of certain powers to the Director-General of the Post Office and to Postmasters-General.

The powers delegated to Postmasters-General were substantial. On the administrative side they were empowered to appoint, promote and grant leave to all officers (other than Superintendents), the pay or maximum pay of whose appointments did not exceed Rs. 200. On the financial side the powers delegated included authority to make an experimental office permanent when it is self-supporting, to sanction re-appropriations in the case of fluctuating charges, to sanction contract allowances for the carriage of mails up to a limit of Rs. 100 a month in each case, and to sanction all appointments on pay not exceeding Rs. 50 a month within limits of the budget allotment for the circle.

In September 1908, the Government of India sanctioned certain proposals submitted by the Director-General of the Post Office for utilising the surplus balance of the Post Office Guarantee Fund for the benefit of members of the staff and their families. This fund had been accumulated from compulsory contributions by the staff of the Post Office in order to protect Government against losses caused by the neglect or misconduct of postal servants. The Fund was also used—

Enlargement of the purposes to which the Guarantee Fund may be applied.

- (1) to grant rewards to postal servants for specially honest or courageous service while in the discharge of their duties, and to other persons for the supply of information leading to important results in Post Office robbery cases, and
- (2) to compensate postal servants for the loss of private property caused by accidents.

The Director-General was authorised to make payments from the Guarantee Fund as gratuities—

- (1) to the families of deserving postal servants left in indigent circumstances by the premature death of individuals upon whom they depend for support, and

- (2) to postal officials who are, owing to no fault of their own, physically or mentally incapacitated for further service before they have earned a pension.

The power vested in the Director-General is subject to the following conditions—

- (a) that in no single case does the gratuity exceed Rs. ₹00, and
 (b) that the total amount of the gratuities sanctioned in any one year do not exceed 25 per cent of the surplus of the Fund for the preceeding year.

(iv) *Contracts.*

New Eastern Mail
contract.

In July 1905 His Majesty's Secretary of State forwarded to the Government of India the draft form of tender and the proposed conditions of the contract for the continuance of the Eastern Mail Service, on the expiry of the supplemental contract with the Peninsular and Oriental Company in February 1908. The Director-General of the Post Office of India, to whom the drafts were referred, proposed that tenderers should be asked to state the subsidy required for the introduction of a service 24 hours faster than the existing timing, three years after the commencement of the contract, irrespective of its duration. Sir A. Fanshawe advocated this step because he considered that a 24 hours acceleration would be expected by the commercial community, and because, owing to the short time available, no substantial acceleration could be expected in 1908. In addressing the Secretary of State the Government of India laid special emphasis on this point, and strongly urged that an effort should be made to secure a substantial reduction in the transit period during the currency of the new contract, whether granted for seven years or ten. The opportunity was taken to insert in the contract suitable conditions regarding the accommodation required by the Sea Post Office for sorting and making up the mails. The Secretary of State and His Majesty's Postmaster-General concurred in the recommendations of the Government of India, and the suggestions made were embodied in the form of tender and conditions of contract eventually issued.

The only tender made by a responsible company was that of the Peninsular and Oriental Company, which was duly forwarded to the Government of India for an expression of their opinion.

After consultation with the Director-General of the Post Office of India the Government of India recommended that the tender should be rejected for the following reasons:—

- (1) That in refusing to tender for the mail service in the various sectional and alternative forms, and in rejecting the demand for an acceleration of the service during the currency of the contract, the Company had disregarded the reasonable wishes and expectations of the commercial community in India and the definite recommendations of the Inter-departmental Committee on the Eastern Mail Service.
- (2) That the service offered showed no improvement as regards present timing, as the so-called acceleration of 8 hours provided for

practically resolved itself into a reduction of the transit period on the entire voyage of only two hours, so far as steaming on the high seas was concerned.

- (3) That in view of the advance in marine engineering during the last ten years the time allowance of 36 hours on the homeward journey during the South-West Monsoon stipulated for in the tender was excessive.
- (4) That the Company had made various alterations in their tender, the effect of which was to abolish or curtail the rights and privileges enjoyed under the existing and preceding contracts.

The Government of India accordingly advised that the existing interim contract should be extended for a further period of 2 or 4 years, and that in the meantime invitations should be issued for fresh tenders for services beginning on the 1st February 1910 and 1st February 1912 respectively.

In reply to this representation the Secretary of State intimated on the 1st January 1907 that it had been decided to accept the tender of the Peninsular and Oriental Company for carrying the Eastern and Australian Mails for seven years from the 1st February 1908, subject to two conditions: (1) that clauses 9 and 12 of the tender (relating to the arrangements for sea sorting) were restored to their original form by the Company; and (2) that the question of the portion of the subsidy to be borne by Indian revenues under the new contract was reserved for separate discussion by the British Post Office. While realising the importance of periodically inviting competitive tenders for the contract the Secretary of State was of opinion that, after it had been decided to enter into a particular contract, the contract should be of such duration as to afford substantial encouragement to the contractors to increase and improve their fleet so as to be able to offer a better service on the next occasion. This consideration was held to be of peculiar importance for the following reasons:—

- (1) The experience obtained in 1896 and 1906, the last two occasions when tenders were invited, showed that there was no shipping company which was prepared to compete with the Peninsular and Oriental Company, and
- (2) during the last ten years considerable reductions had been made in the contract time by the Peninsular and Oriental Company and in the cost of the services rendered by them.

The Secretary of State considered that by entering into a new contract His Majesty's Government would be taking the most effective measures for securing a substantial improvement in the mail service on the next occasion on which tenders were invited. Eventually, in June 1907, the Peninsular and Oriental Company agreed to the modification of the contract to an extent which was held by the Secretary of State to go reasonably far in meeting the requirements of India in regard to sea sorting accommodation and other matters, and a formal agreement for the new service was accordingly entered into between the British Post Office and the Company, and came into force from the 1st February 1908. The Company undertook the service for a reduced subsidy of £305,000 *per annum*, and it was decided that this sum should, until 1912, be apportioned *pro rata* in the same manner as the present subsidy, and that after that date a revision should take place which will be discussed in detail hereafter by the parties interested.

Establishment of a regular weekly mail service between Rangoon and Penang.

In January 1906 the Government of Burma reported that considerable dissatisfaction prevailed among the mercantile community of Rangoon in regard to the existing arrangements for the conveyance of mails between Rangoon and Singapore, Penang and the Far East. It was pointed out that, although the postal arrangements contemplated a service once every seven or eight days by the steamers of the British India Steam Navigation Company, there was no regularity in the sailings, which were entirely dependent on the conditions of trade prevailing at the moment, and that there was no security that the mails would connect at Singapore or Penang with the steamers which carry the mails to China and Japan.

In view of the importance to Burma of the trade with the Straits and the Far East, the Government of India agreed that an improved service was necessary, and it was accordingly decided in August 1907 that the subsidy payable to the British India Steam Navigation Company, under their general contract, should be increased by Rs. 70,000 per annum, in order to secure the establishment of a regular weekly mail service between Rangoon and Penang. The Director-General of the Post Office was accordingly instructed, in August 1907, to arrange for the execution of a formal contract for the new service, and to fix a date for its introduction in communication with the Government of Burma.

Renewal of the contract with the Irrawaddy Flotilla Company, Limited, for the carriage of mails, troops, etc., on the river Irrawaddy, its tributaries, branches and creeks.

Two important contracts were sanctioned during the year 1908. In December a new contract was executed with the Irrawaddy Flotilla Company, Limited, for the carriage of mails, troops, etc., on the river Irrawaddy, its tributaries, branches and creeks. The contract was made for a period of five years, and the total subsidies payable under it were increased from Rs. 8,250 to Rs. 11,750 a month on account of certain new services which were provided.

Contract with the Rivers Steam and India General Navigation Companies for the maintenance of the Khulna-Narayanganj mail service.

With effect from the 1st June 1908 a fresh contract was also entered into with the Rivers Steam and India General Navigation Companies for the maintenance of the Khulna-Barisal and Barisal-Narayanganj Mail Services. The contract was made for a period of five years, and it was arranged that the Companies should continue to convey the mails according to the former timetables. The subsidy was increased from Rs. 300 to Rs. 750 per mensem, as the Agents declined to undertake to run to any fixed time unless the subsidy was raised.

Renewal of the contract with the Asiatic Steam Navigation Company for the Andaman mail service.

A new contract was made with the Asiatic Steam Navigation Company for the conveyance of mails, troops, convicts, etc., between Calcutta, Madras, Rangoon and Port Blair. The contract was entered into for a period of 5 years with effect from the 1st July 1909 and the most important changes embodied in it were :—

- (1) The insertion of a clause providing for the arbitration or decision of disputes.
- (2) the insertion of a provision giving Government the power to direct the Company to make Stewart Sound a port of call for the Andaman mail steamer, and
- (3) the exemption of Royal Indian Marine troopships carrying out the relief programme from the monopoly granted to the Company's steamers.

(v) Expansion of the Department.

The preceding pages indicate the more important changes that have been made in the last five years in the Postal administration of the country. The period has been one of continued progress and of marked expansion. The number of postal articles which passed through the Post Office rose from 679 millions in 1904-05 to 875 millions in 1908-09, and in the same period the number of post offices increased by over 2,000, and the total mileage of postal lines by nearly 8,000. As an indication of the gradual growth in the literacy of the people it may be mentioned that the number of postal articles per head of population rose in these four years from 2·40 to 3·10, and that the number of letters and postcards sent from India to England increased by 2½ millions. And it must be remembered that the Post Office confers a number of services on the public which are no part of its ordinary functions. It conducts a large and increasing Savings Bank business and a growing Insurance business, and among its miscellaneous functions it undertakes the sale of quinine at low prices to the public. The sales of this drug by the Post Office show a steady increase.

The total receipts of the Department have risen from 2 crores and 36 lakhs in 1904-05 to 2 crores and 73 lakhs in 1908-09. The expenditure however has risen out of proportion to the increase in receipts, and in 1908-09 the Department was barely self-supporting. This result is partly due to depression in trade and partly to important concessions in rates which have recently been made to the public. These concessions have not had time yet to react in full upon the business of the Department, but it is anticipated that the growth of work will soon raise the revenues of the Post Office well above the expenditure.

The Postal administration of the country has been conducted throughout with smoothness and success, and the efficiency of the Department has received the repeated appreciation of the public.

CHAPTER VI.

TELEGRAPHS.

The history of the Telegraph Administration of India during the last five years has been one of storm and stress. The period has witnessed the complete reorganisation both of the Staff of the Department and of the procedure adopted in the disposal of traffic. The two outstanding features of the administration during Lord Minto's Viceroyalty have been the appointment of a Telegraph Committee to examine the working of the Department, with the measures taken to give effect to the Committee's recommendations, and the loan from the British Post Office of the services of an expert traffic officer to improve traffic procedure. Upon these two measures depend practically the whole of the numerous reforms which have been carried out and which may be said to have almost revolutionised the telegraph system of the country.

The question of
amalgamation.

It is necessary in the first place to allude briefly to the important question of the relations between the Telegraph Department and the Post Office of India, as this question is closely bound up with the reorganisation of the former. The proposal to amalgamate the two Departments has been before the Government of India for some years. In 1905 Mr. Stewart-Wilson had been deputed in connection with this question to enquire into the conditions under which the Postal and Telegraph Departments are administered in the more important European States. In a report submitted in December of that year he had strongly advocated immediate amalgamation, but the Government of India were unable, on the facts before them, to accept his conclusions in their entirety. On his return to India it was considered advisable to place him on special duty to supplement his report by further information on certain points, and to prepare a scheme in as much detail as possible on the lines proposed by him showing what the cost would be. Mr. Stewart-Wilson stated in the note, which he submitted towards the end of March 1906 that he was unable to demonstrate that, in countries where there is only one Department, there had been any increase of efficiency other than that due to increased knowledge, or that economies in working had been effected in these countries owing to amalgamation, as he had been unable to obtain satisfactory evidence on the subject during the course of his enquiries. A detailed scheme was submitted for consideration, of which the main features were :—

- (i) The fusion of the administrations and accounts of the two Departments.
- (ii) The amalgamation of work in postal and telegraph offices.
- (iii) The separation of telegraph engineering from telegraph traffic business.
- (iv) All traffic matters whether postal or telegraphic to be handed over to the postal officials.
- (v) All engineering business to be entrusted to a separate body of telegraph engineers working independently of Postmasters-General, but controlled by an Engineer-in-Chief who would, in his turn, be subordinate to the Director-General of the combined Department.

It was estimated that the initial saving, if the scheme were adopted, would amount to 4½ lakhs and the ultimate saving to 6½ lakhs.

Mr. Stewart-Wilson stated that he adhered to his opinion that complete administrative amalgamation was essential in order to attain the highest degree of economy and efficiency in both departments, but that the insight he had gained into the actual working of the Telegraph Department while he was preparing his note, had convinced him that immediate amalgamation was impossible. It was necessary to reorganise the Telegraph Department on more modern and practical lines, and the heavy work involved in this would be a burden too heavy for the Director-General of the combined Department. He therefore recommended that a decision on the question of fusion should be postponed until steps had been taken to reorganise the Telegraph Department, and two or three years' experience of the working of the reorganised Department had been acquired.

The conclusions of the Government of India on this subject were made public in the speech of the Hon'ble Mr. Hewett at the Budget Debate of 1906. Amalgamation could only be justified if it were shown that it would result in a financial saving without loss of efficiency, or would secure increased efficiency with a similar standard of expenditure. The enquiries which had been made tended to show that some economy must result if both departments were brought under one Director-General, and if an arrangement were made under which the management of traffic would be entrusted to one set of officials, while the management of the scientific and technical work of the department would be under the control of another set of officials, namely the engineers. It was pointed out however that the organisation of the two departments was entirely different, and that it would be absolutely impossible to amalgamate them without a radical change in the Telegraph Department. It was also remarked that the conditions in this country differ from those in most countries in Europe in which amalgamation had been effected, the operations of both departments being conducted over vast areas, a circumstance which in itself furnished an argument against too great centralisation of authority; and the work of the Director-General of the Post Office in India being already of a most exhausting character, and tending year by year to increase, it was doubtful whether it would be possible to impose upon that officer the duty of supervising the Telegraph Department, even in a general way, in addition to the work of his own special department. Another obstacle to amalgamation lay in the fact that in a country where the rank and file of both the Postal and Telegraph Departments are imperfectly educated, and where the development of both departments on independent lines had already proceeded for so many years, the dislocation which would at first result from a change would be far greater than that experienced in the majority of European countries. Since the two Departments had been placed under the same department of the Government of India, considerable progress in the work of co-ordination between them had been effected, and this process would, it was hoped, continue. The principle that post and telegraph offices should be combined wherever possible would be steadily enforced, but it was considered that an internal reorganisation of the Telegraph Department might be desirable in order to relieve the Director-General of the mass of detail, with which he was burdened, by entrusting greater responsibility to a grade of officers intermediate between him and

the Superintendents. The former would, if such a scheme could be devised, be in a position to devote more time to the more serious problems of administration, while the devolution of authority would enable the latter to deal more efficiently and promptly with the complaints and representations of the public.

Telegraph Com-
mittee.

The defective organization of the Telegraph Department, its adherence to obsolete methods, and the signal failure of the established system of work and administration to keep pace with the rapid expansion of traffic and satisfy the legitimate demands of the public, had come under the notice of the Government on several occasions and convinced them that radical changes were necessary if the Department was to cope efficiently with its task. The consideration of the means of effecting a thorough reorganization had, however, to be postponed until a decision was come to as to the question of amalgamation of the Postal and Telegraph Departments, and the announcement that the idea of such an amalgamation had been abandoned, led to the question being examined once more. It was found that the issues involved were too complicated and difficult to be disposed of in the ordinary course of Secretariat business, and that the comprehensive treatment of the existing situation, which called urgently for examination, would best be undertaken by a Committee. Accordingly the Government of India decided in September 1906 to appoint a Committee, under the presidency of the late Sir Charles Lewis Tupper, to examine the working of the Telegraph Department in all its branches, and to submit proposals for its improvement. The terms of reference to the Committee were the following :—

- (1) Whether the scheme of decentralisation drawn up by a departmental Committee in 1904 might be adopted as it stood or whether any, and if so what, modifications were necessary ?
- (2) What alterations should be made in the staff and office establishment of the Directorate, if the decentralisation scheme were adopted ?
- (3) Whether the organisation of the superior staff of the Department and the distribution of the work was satisfactory, and if not, what alterations should be made : in particular whether a clearer distinction should be made between (a) administration, traffic, and inspection on the one hand, and (b) construction and engineering on the other ?
- (4) Whether the system of recruitment, training and duties of the Upper Subordinate establishment was satisfactory, and if not, what changes should be made ?
- (5) Whether an expert traffic officer should be brought out from England to examine the traffic working of the Department and to make suggestions for its improvement ?
- (6) What measures should be taken to promote closer and more intimate relations between the Post Office and the Telegraph Department in the matter of combined offices ; and what principles should govern (a) the opening of new departmental offices, and (b) the combining of offices already separate ?
- (7) Whether the accounts and audit system of the Telegraph Department should be amalgamated with that of the Post Office ?

- (8) Whether any and if so what changes were required in the existing organisation of the Check Office in view of the expansion of message traffic, and in particular—
- (a) Whether any part of the work could be transferred to any Account Department? and
 - (b) Whether any part of the work could be decentralised and transferred to the circle officers whom it was proposed to create?
- (9) What changes should be made to improve the existing organisation of the signalling establishment and in particular—
- (a) Whether strictly local and non-pensionable services should be formed in the Presidency towns and other large centres?
 - (b) Whether female signallers should be employed in the Department and if so to what extent and under what restrictions?
 - (c) What alterations should be made in the present mode of classification and remuneration of signallers, and to what extent their earnings should be regulated by their actual outturn of work, by the general introduction of “pie-money” or some similar system?
- (10) Whether a scheme could be devised for the automatic increase of the signalling establishment in proportion to the actual increase in traffic, the strength of the controlling establishment being increased in fixed proportion to the increase in the lower grades?
- (11) Whether any and, if so, what changes were called for in the existing stores system of the Telegraph Department?
- (12) Whether it was advisable to decentralize the work of the Department to a larger extent in great cities?

The Committee submitted their report to Government in April 1907, and their proposals were at once taken into consideration. The scheme of reorganisation recommended was however of a most complicated character and it was found necessary to deal with the report in sections. The orders of the Secretary of State on the last section dealt with were received in December 1909, and contained an expression of appreciation of the great care and thoroughness with which the various questions involved had been considered both by the Committee and by the Government of India, and referred to the necessity of keeping steadily in view the advantages to the country which are likely to result from the complete amalgamation of the two great public departments of Posts and Telegraphs.

The second important measure was the appointment of a traffic expert from England to examine the traffic procedure. The growth of traffic in recent years had made it essential that the Department should be brought up-to-date in this respect, so that messages might be economically and expeditiously disposed of. The advisability of the step, it will be observed, was one of the specific questions referred to the Telegraph Committee, and they had recommended its adoption. Accordingly in December 1906, the Secretary of State was

Deputation of a Traffic Expert from England to reform the traffic methods of the Indian Telegraph Department.

requested to obtain the services of Mr. J. Newlands of the General Post Office, London, for a minimum period of 6 months and for a further period, not exceeding two years in all if his services could be spared by the British Post Office for so long, for the purpose of advising the Government of India as to the reform of the traffic methods of the Indian Telegraph Department. His Majesty's Postmaster-General was unable to agree to give up Mr. Newlands' services for two years, and it was finally arranged that the total period of his deputation should be limited to one year, and that if possible his services would be given up earlier. Mr. Newlands arrived in this country in October 1907.

He continued his work in connection with the improvement of traffic arrangements until August 1909, and most of the reforms which were carried out were due to his initiation.

His labours resulted not only in a marked acceleration of the telegraph service, but also in the disappearance of a large amount of needless reduplication of labour which had previously hampered the operations of the Department. He succeeded in showing that the existing signalling staff was considerably in excess of requirements and further recruitment was accordingly postponed. The hours of duty of the entire staff were readjusted to suit the requirements of the actual hourly business and effective measures were devised, by which the staff, wires, and apparatus should be utilised to the fullest extent and the constant growth of expenditure should be checked.

Mr. Newlands' work in India was of the greatest value, and for his services he was created a Companion of the Order of the Indian Empire. In reporting the conclusion of his work the Government of India stated that his deputation has been amply justified by the improvements already effected in the efficient and economical working of the telegraph service.

(i) *Traffic Reforms.*

In the reform of traffic procedure the one object which Government kept steadily in view was promptitude in the transmission of messages. It is obvious that the first measure which had to be taken up with this end in view was to increase the efficiency of the telegraphists. Not only was the pay of the signalling establishment raised, as will be subsequently explained, with a view to obtaining a better class of recruit, but special attention was paid to training. Among the matters considered by the Telegraph Committee in connection with the reorganisation of the departmental signalling establishment were—

- (1) the provision of better arrangements for the training of signallers ;
- (2) the extension of the maximum period of training from 9 to 12 months ; and
- (3) the raising of the qualifying test for signalling in plain language from 20 to 23 words a minute.

The Government of India accepted the recommendations of the Committee as regards both (2) and (3). The Committee were not satisfied in the case of (1) that the training classes were adequately equipped, that the accommodation was sufficient, or that the training was as efficient as circumstances demanded. They suggested that the equipment should be increased, and that

typewriters should be added to afford probationers the opportunity of learning typewriting. They also recommended that great stress should be laid on the acquisition of clear handwriting, and that special care should be devoted to instruction in Code and Figure signalling. The Government of India in August 1907 accepted generally the views of the Committee on these points and instructions were issued to the Director-General of Telegraphs to give effect to them as far as possible.

Attention was similarly devoted to improving the efficiency of postal signallers in combined offices. In October 1908 the Government of India issued orders on the recommendations made by the Telegraph Committee on the subject of the relations between the Telegraph Department and the Post Office in the matter of combined offices and the measures to be adopted for the improvement of the efficiency of postal signallers. On almost all points the proposals of the Committee were accepted. Under the latter head, the measures approved comprised the extension of the period of training from six months to nine, the raising of the qualifying standard from sixteen words in a minute to twenty, the grant of allowances ranging from Rs. 7-8-0 to Rs. 20 per month to learners while under training, and the employment of postal signallers, on the completion of their training, for from one to three months in a departmental office. In the backward tracts of Burma and Assam it was not found possible to raise the standard to the same extent as elsewhere, and the conditions were therefore relaxed in their case.

Relations between the Telegraph Department and the Post Office in the matter of combined offices, and measures for the improvement of the efficiency of postal signallers.

As regards the relations of the Post Office with the Telegraph Department it was decided that an annual grant should be placed at the disposal of the Director-General of the Post Office and that the whole of the telegraph expenditure of combined offices should be debited to it. Within the limits of his grant the Director-General exercises the same powers of creating and revising establishment as he already possessed in the case of postal establishments. The grant includes a provision for the improvement of the pay of postal signallers, the Secretary of State's approval having been obtained to an increase of pay not exceeding 15 per cent in the aggregate. It is left to the Director-General to distribute the increase according to the needs of particular offices.

Certain less important recommendations of the Telegraph Committee, which were approved by Government, must also be referred to. The recruitment of the Local Scale from the postal signallers, the training of Postal Superintendents in telegraph work, and the maintenance by the Post Office of a reserve of signallers for use in emergencies were approved in principle, and orders were issued to the Director-General accordingly. In order to obviate one of the chief causes of delay to the telegraph traffic of combined offices, the number of offices on one circuit was limited in ordinary circumstances to five.

Nor did the efficiency of the military telegraphists employed in the Telegraph Department escape attention. The number of these men who are ordinarily to be employed was fixed on the recommendation of the Telegraph Committee at 600. They were not to be recalled to military duty in the event of mobilization, their term of duty was not to be limited to three years, as had formerly been the case, and the Director-General was empowered to post them to any part of India. Steps were also taken to maintain the efficiency of those who returned to regimental duty after training in the Telegraph Department.

Measures for raising the efficiency of military telegraphists in the Indian Telegraph Department.

As early as 1903, the Government of India, with a view to improving the speed and accuracy of this class of officer, had sanctioned the grant of an allowance of Rs. 1-4-0 a day to military telegraphists who pass the code and figure test laid down in Chapter B. of the Telegraph Code. Subsequently with the same object in view it was decided :—

- (a) That the maximum period of training should be increased from 8 to 9 months, with a further probationary period of training in a departmental office of three months;
- (b) That future entrants, including men under training, should be required to prove their ability to signal and receive messages at the rate of 20 instead of 16 words a minute before they were employed in the Department;
- (c) That men already in the Department who passed by the 16 words standard should be required to pass by the 20 words standard within a reasonable time, all failures being remanded to their units.

Improve-
ment of the
Railway Tele-
graph Service.

The Railway Telegraph Service was also reorganised and improved. The Telegraph Committee in the course of their inquiries had received complaints at a number of places of the inefficiency of this service. They ascribed this inefficiency partly to conditions inherent in the system which could not be completely removed, and partly to the lack of adequate supervision of message traffic and the low qualifications of the operators. Adequate grounds appeared to them to exist in many cases for the dissatisfaction which was felt, and, as the Committee held strongly that any administration which accepted paid messages from the public was under an obligation to make reasonable arrangements for their prompt conveyance, they recommended that the following measures should be taken to effect improvement in the service :—

- (1) the extension of the period of training operators ;
- (2) the raising of the standard fixed for the qualifying test ;
- (3) the offer of improved rates of pay ;
- (4) the employment of inspecting officials in order to secure more expeditious disposal of paid public traffic ;
- (5) the provision of additional transfer offices ; and
- (6) the opening of combined offices at or close to railway stations where there is an appreciable public traffic.

These recommendations were referred to the Railway Conference Association who considered them at their annual meeting in September and October 1907. Though they maintained that most of the defects of the Railway Telegraph system were due to unavoidable causes, the Conference accepted as reasonable the proposed standard of 16 words a minute, both in sending and receiving. The Conference did not, however, deal with any of the other recommendations of the Committee.

Orders were issued by the Government of India in January 1908. The desirability of adopting a standard of 16 words a minute, of extending the period of training and of improving the pay of the telegraphists was impressed on the Railway administrations and the hope was expressed that inspectors of paid

public traffic would eventually be employed on all railways. The Director-General of Telegraphs was instructed to open new transfer offices in consultation with the railways concerned whenever this was found necessary, and to arrange with the Director-General of the Post Office of India for the establishment of combined offices at or near railway stations, where there was an appreciable amount of public traffic.

In addition to improving the quality of the signalling establishment, a large number of important changes in procedure were made with the same object of providing a quicker service. Among these the following may be mentioned. It was decided, on the recommendation of the Telegraph Committee, that with effect from the 1st April 1908, postage stamps should be substituted for the double telegraph stamps thitherto used for the payment of the charges for telegrams received from the public. The main advantage anticipated from this reform was that the booking of telegrams at the telegraph counter would be greatly simplified, and the despatch of the messages themselves proportionately accelerated. It was at the same time laid down that the public would be required, when despatching telegrams, to affix the stamps to the message forms, as is done in the United Kingdom, and to see that the stamps were defaced in their presence. Postage stamps are now on sale to the public at all telegraph offices.

Adoption of postage stamps for telegrams, and simplification of the telegram and receipt forms.

From the same date certain changes were made in the official preamble which is signalled with telegrams, with the result that the number of signals transmitted was reduced from thirteen to five. A new and smaller form was also introduced, and the receipt, instead of being part of the form, was printed on a separate slip. The form of receipt given to the delivery peon was also changed. All these alterations had for their object the prompt disposal of traffic.

Two subsequent changes were made in consequence of the substitution of postage stamps for telegraph stamps for defraying telegraph charges. In June 1908 it was decided to issue two new denominations of postage stamps of the values of Rs. 10 and Rs. 15, and in December of the same year, in consequence of the demand for a higher value stamp for defraying telegraph charges, it was decided to introduce a postage stamp of the value of Rs. 25.

Issue of postage stamps of the value of Rs. 10, Rs. 15 and Rs. 25.

Another reform, which was calculated to effect a considerable improvement in the disposal of work in signal offices, consisted in the abolition in October 1909 of what was known as the "Debit Note system." Under this system a large number of Government officers had been empowered to send telegrams on the public service without payment in cash or stamps, the cost of the telegrams being debited to the officers concerned on accounts prepared by the Telegraph Check Office. It was found that the arrangement not only threw a great and increasing burden on the Telegraph Check Office and on the various audit offices concerned, but that it was an obstacle in the way of uniformity and simplicity in dealing with messages in Telegraph Offices, and it was accordingly decided that, with effect from the 1st January 1910, all State telegrams should ordinarily be prepaid in service stamps or in cash. A few selected high officials nominated by the Government of India were exempted from the necessity of stamping their telegrams, and for the personal use of these officers a special "O. H. M. S." telegram form was introduced.

Abolition of the Debit Note System.

Alterations in the
rules of the Indian
Telegraph Guide.

In June 1906 it was brought to the notice of the Government of India that a practice, intended originally to apply to State messages only, had grown up on the part of the public of tendering multiple address telegrams, addressed to several telegraph offices, written on the same telegram form. Such telegrams were accepted for transmission in the ordinary course. This practice was peculiar to the inland system, and was not supported by international usage. It entailed considerable risk of delay to, or even non-transmission of, messages; and in order to remedy this it was decided to adopt the British Post Office rule on the subject which requires the sender of a multiple address telegram to use a separate form for each address. At the same time that this defect was brought to notice a complaint was received from the Deutsch-Atlantische Telegraph Company of the frequent occurrence in Indian telegrams despatched to Germany, in code and plain language, of inadmissible combinations of words, and it was urged that means should be devised to check the growth of this abuse. With this object, a rule was inserted in the Telegraph Guide requiring the senders of private telegrams worded in code or plain language, other than English or the vernaculars of India and Ceylon, to certify on the form that the telegrams did not contain combinations or alterations of words contrary to the usage of the language employed.

Revised rules for
the grant of pie-
money to telegra-
phists.

It will be convenient to refer here to another change which bears a close relation to the measures adopted for the speedy transmission of messages, namely a change in the system of "pie-money." "Pie-Money" is an allowance which is granted to telegraphists who dispose of more than a certain number of messages in a given time, and had been introduced experimentally in April 1904. The Telegraph Committee reported that it had proved a success and had led to increased efficiency, and they recommended its continuance as a permanent arrangement, but proposed certain changes in the conditions governing its working. The Government of India were unable to accept all of the Committee's proposals, but a revised scheme was introduced with effect from the 1st November 1908. The chief change made was that a telegraphist can now earn 4 pies for every message disposed of in excess of 140 a day, instead of 2 pies for every message in excess of 80. Pie-money is, however, granted only on a circuit on which the average traffic exceeds 150 messages in eight consecutive hours, and which is declared by the Director-General to be a pie-money circuit. Heads of offices are required to take special precautions to ensure that on such circuits accuracy is not sacrificed to speed.

On the recommendation of the Director-General of Telegraphs, it was decided in August 1909 to revise the rules prescribed in 1908 for the grant of pie-money, so as to provide, as a tentative measure for one year, that pie-money should be earned on messages transmitted by the Baudot apparatus by the Sender alone, instead of by the whole of the operators actually employed at the apparatus, and that the two trained men on either side of the apparatus should divide the duty of sending between them.

Insufficient addresses.

Another point to which the attention of the Government of India was drawn was the growing tendency on the part of the public to send telegrams with insufficient addresses. Prior to 1904 the address on a telegram had been transmitted free. In that year, however, with the adoption of the 4 anna telegram, the free transmission of addresses was abolished. Since then the tendency had been for addresses to become shorter and shorter, with the result

that general delay resulted in the delivery of telegrams and the Department was put to much extra trouble. Eventually in 1909 the Director-General was instructed that a full address must be insisted upon in the case of all telegrams for persons for whom abbreviated addresses had not been registered, and orders were issued for the proper treatment of messages insufficiently addressed.

The foregoing account by no means exhausts the measures which were taken to reform the transmission of messages. A large number of other changes, which it would be tedious to detail, were made with the same object. It is only necessary to say that the result has been a very remarkable improvement in the speed with which messages are disposed of. The figures of the larger offices for January 1909 showed an average of 70 per cent. Sent and Transit messages disposed of in ten minutes or less, as against 14 per cent in February 1908, and an average of 84 per cent of the messages sent out for delivery within five minutes, as against 36 per cent in January 1908.

(ii) Reorganization of the Staff.

On the 1st July 1909, the Government of India submitted to the Secretary of State their recommendations regarding the main scheme for the reorganization of the Telegraph Department, put forward by the Telegraph Committee in Chapter I of their report, which embraced the reconstruction of the administrative framework of the Department and the revision of the rates of pay and methods of recruitment, etc., of the various classes of officers.

Reorganization of
the Telegraph De-
partment.

For telegraph purposes the whole of India had been divided into 20 divisions, each in charge of a Superintendent, an officer of the same rank and standing as an Executive Engineer in the Public Works Department. Each division included 2 or more minor charges known as sub-divisions, of which there were 73, the more important of these being in charge of Assistant Superintendents, junior officers of the superior staff, and the less important in charge of Sub-Assistant Superintendents who were upper subordinates. In addition to the heads of Divisions there were 8 officers of the same rank who were immediately subordinate to the Director-General and the whole Department was controlled by a Director-General assisted at headquarters by a staff composed of 1 Deputy Director-General, 2 Directors and 2 Deputy Directors of Traffic and Construction, 1 Personal Assistant, 1 Superintendent in the Traffic Branch and 2 Superintendents. There were thus 28 subordinate officers, with very limited powers, in direct correspondence with the Director-General who was consequently overwhelmed with a mass of unimportant references. The five officers next in seniority to the Director-General were all stationed at headquarters, and this concentration of so many senior officers at headquarters and the lack of adequate devolution of responsibility were prejudicial to the efficient administration of the Department. It was therefore proposed that the whole of India should be divided into eight circles, coterminous with the eight major Postal circles, each of which would include in its bounds one of the great provinces of India; and that each circle should be placed in charge of a Director of Telegraphs invested with many of the powers which had formerly been exercised by the Director-General only. Four Chief Superintendents were already available to man these circles and it was proposed that the remainder should be found by withdrawing from the direction the Deputy Director-General, the Deputy

Directors of Traffic and Construction and the Superintendent of Traffic, leaving at headquarters only the Directors of Traffic and Construction who would be graded with the heads of circles as Directors of Telegraphs. It was further recommended that all these appointments should be interchangeable and that the appointments of Director of Traffic and Director of Construction should be limited to three years.

The retention of both Divisional and Sub-divisional officers after the creation of the circle officers would have resulted merely in adding a fresh link to the official chain of correspondence, and to obviate this it was recommended that the number of divisions should be increased from 20 to 34, and their area reduced in order to bring them within manageable proportions; and that, at the same time, the sub-divisions should be abolished, the officers in charge of them being posted to the headquarters of the divisional officers. It was explained that these officers would have no separate office establishment and that they would obtain the orders of their Divisional Superintendents, when necessary, by means of unofficial notes and verbal discussion, thus reducing the volume of routine work to the great advantage of the Department, and enabling the divisional officer to maintain a close and salutary control over all the work for which he would be responsible.

An integral part of the Committee's scheme for the better organisation of the Department was the formation of a Technical Branch consisting of officers and subordinates who would specialise in electrical work and would be employed solely on duties of a technical kind. The Government of India recommended that this Branch should consist of an Electrical Engineer-in-Chief and 5 Electrical Engineers who would be specially recruited and, except in the case of unfitness, would ordinarily remain in it for the whole of their service; but that officers already in the Department and employed on Technical work should be given the option of entering the new branch or of returning to divisional work. It was proposed that the officers of the Technical Branch should be assisted by forty trained subordinates selected, but graded separately, from the Traffic and General Branches of the Department.

It was decided that the total strength of the superior officers in the Department should be reduced from 101 to 96, of whom six would belong to the Technical Branch, but that three out of the five appointments by which the establishment would be reduced should be filled in a different way, by placing the Check Office in charge of a Civil Accounts Officer, the Telegraph Store Department in charge of a Chief Storekeeper recruited from outside the Department, and the Workshops in charge of an outsider. It was, however, suggested that, as the number of officers actually employed in the Department was 103, the appointment of Chief Storekeeper should be kept in abeyance until the excess had been absorbed.

The question of the pay of the superior officers of the Telegraph Department had long engaged the serious attention of Government, and petitions had been received at various times from officers of the Department praying that they might be granted the same rates of pay as had already been sanctioned for officers of the Public Works Department. It was not found possible to accept the conclusion of the Telegraph Committee and the claim put forward by the officers themselves that officers of the Telegraph Department should be given

practically the same rates of pay as those in force in the Public Works Department; but, in the interest of efficiency, it was admittedly desirable that the prospects of advancement in the former Department should not be inferior to those in the latter, and it was eventually decided to recommend the introduction of a time scale of pay at rates approximating those in force in the Public Works Department. It was suggested that the opportunity of the introduction of the revised rates of pay should be taken to announce definitely that at no time could the contention be admitted that an improvement in the pay of one of the two Departments must also be conceded to the other.

In connection with the question of recruitment the Telegraph Committee recommended that appointments to the Provincial Branch of the Department should be made by selection from the graduates of the engineering classes in any College which gave a suitable and adequate training in electrical engineering. The system originally in force had consisted in the maintenance of a special class at the Thomason College, Rurki. It was found that this class attracted as a rule candidates from one Province only and that healthy competition was absent. It was accordingly decided to recommend the adoption, for all recruitment to the Provincial Service from 1911 onwards, of the procedure recommended by the Committee with the modification that applications for appointment should be open to all competitors whether educated at Engineering Colleges or Technical Institutes or in Europe. The system of recruitment proposed was that the Director-General of Telegraphs should nominate for the approval of the Government of India, after the candidates had been interviewed by himself or some high officer of the Department, the candidate who in his opinion was best fitted for employment in the Telegraph Department having regard not only to his educational qualifications but also to his physique, moral character, habits of activity and gentlemanly bearing.

Under the then existing rules the number of officers admitted to the Provincial Service was two and one in alternate years. It was however considered that the claim of the subordinate ranks to share in the higher appointments should be recognised and it was accordingly proposed that in future five-eighths of the superior establishment should be recruited in England, that one-fourth should be obtained from the Indian Engineering Colleges or Technical Institutes in the manner referred to above, and that one-eighth should be provided by promotion from the subordinate ranks, resulting in the promotion, on the average, of a subordinate once in every two years as soon as the excess in the sanctioned number of officers should have been absorbed.

It was also proposed that the 72 Sub-Assistant Superintendents of the General Branch who had been equally divided into two grades should be styled Deputy Superintendents with rates of pay similar to those already in force for Deputy Superintendents of the Traffic Branch.

The proposals of the Government of India received the approval of the Secretary of State in December 1909. The establishment of the Circle Divisional organisation and the institution of the Technical Branch took effect from the 1st April 1910, from which date the revised rates of pay came into force, except in the case of Superintendents and Assistant Superintendents, who were brought on to the time scale with effect from the 19th December 1909.

It was decided that the appointments, service in which under the old organisation had qualified for the additional pensions of Rs. 2,000 and Rs. 1,000

a year, should be replaced by a similar number of appointments under the revised system.

* Reorganization of the signalling establishment.

The improvement in the organization of the signalling establishment had engaged the attention of Government from the year 1904 onwards, and was specially referred to the Telegraph Committee in 1906. On the one hand the signallers themselves complained of the inadequacy of the pay which they received, for the rates had in most cases remained unchanged for more than forty years, while on the other hand it was recognised by Government that the system was defective in several respects and called for radical reform. The Committee reported that the rates of pay during the early years of service were insufficient, as was proved by the difficulty of attracting suitable recruits. The system by which the signallers were divided into four grades—Superior, Good, Average and Indifferent—was not only exceedingly complicated and difficult to work, but was also far from conducive to the best interests of the Department. Promotion from one grade to another was obtained on the results of a quinquennial examination which included a number of educational subjects, success in which in no way guaranteed increased usefulness as a signaller. It was considered essential that the system should be so reformed that promotion should be the direct reward of proficiency in actual telegraph work.

The scheme of reorganization which finally received the approval of the Secretary of State in September 1908 was based on the Committee's proposals, but was more liberal and included several important modifications. The initial pay in the case of the General Service was raised from Rs. 40 to Rs. 50 a month, but in the case of the Local Service it remained at Rs. 35, the figure which was fixed in 1902. In each service the four grades were abolished, and a single scale substituted, the maximum of which was fixed at Rs. 200 in the one case and Rs. 130 in the other. The former figure is approximately, and the latter figure exactly, equal to the highest pay which could formerly be drawn by a telegraphist in the Superior or highest grade. But whereas under the old organization a telegraphist who was successful in the grade examination could reach the maximum after fifteen years' service, in future a telegraphist will not ordinarily reach the highest pay attainable by an officer of this class until he has served for nineteen years in the General Scale or for twenty-one years in the Local Scale. This period may, however, be reduced by one year in the case of any telegraphist who earns a double increment after five years' service. The grant of this double increment is intended as a stimulus to telegraphists at the beginning of their service, and an incentive to make themselves thoroughly efficient at the earliest possible date. After fourteen years' service all telegraphists will be required to pass the Efficiency Bar, and will not be permitted to receive any further promotion until they have done so.

For promotion to the rank of Telegraph Master it will be necessary to pass a Departmental examination in technical subjects. Telegraph Masters of the second and third grades, who formerly drew allowances of Rs. 50 and Rs. 25, respectively, in addition to their pay as signallers, have now been granted separate scales of pay rising from Rs. 200 to Rs. 250 in the General Service and from Rs. 130 to Rs. 180 in the Local Service. The highest classes of subordinates in the Traffic Branch were formerly the Traffic Sub-Assistants and the 1st Grade Telegraph Masters, who drew Rs. 350 and Rs. 275, respectively. These officers will, in future, be styled Deputy Superintendents, the pay of the lower

class rising from Rs. 250 to Rs. 325, and that of the higher class from Rs. 325 to Rs. 400. Of the latter, a limited number may rise to a higher maximum of Rs. 500.

The following recommendations regarding the selection and training of Deputy Superintendents on the General List were made by the Telegraph Committee :—

Selection and training of Deputy Superintendents, General.

- (a) That Deputy Superintendents should be recruited from the members of the Signalling establishment below the rank of Traffic Deputy Superintendent of not less than 25 nor more than 35 years of age.
- (b) That as a rule the men should be selected from amongst those who had held the appointment of Inspecting Telegraph Master.
- (c) That the period of probation should be extended to eighteen months, about 6½ months being spent in a course of instruction at the Sibpore Engineering College.
- (d) That nominees for appointment as Deputy Superintendent should be personally interviewed by the Circle Officer, and that no nomination should be accepted without a report of the result of the interview.
- (e) That the examination papers for the departmental examination at the end of the probationary period should be set under the orders of the Director-General of Telegraphs.

These recommendations were approved by the Government of India in January 1908. It was left to the Director-General to settle the course of instruction at the Sibpore Engineering College in communication with the Principal.

Acting on the recommendation of the Telegraph Committee, the Government of India in December 1907 sanctioned the employment of women as telegraphists in the Telegraph Department on the following conditions:—

Employment of women as telegraphists and booking clerks in the Telegraph Department.

- (1) that candidates should be between 18 and 30 years of age, that they should be unmarried or widows, and that they should be of good health and character ;
- (2) that candidates should be required to file a declaration and a guarantee signed by their parents or guardians or some responsible authority, that they would live with their parents or guardians, or with some approved relation or friend, or in some recognised institution (*e.g.*, the Young Women's Christian Association);
- (3) that the same educational qualifications should be required as from men, that candidates should undergo a training of 12 months in the Telegraph training classes, and that during this period of training they should receive the same allowance, *viz.*, Rs. 20 a month, as is drawn by male learners ;
- (4) that the hours of work of female telegraphists should be from 8 A.M., to 9 P. M., that the period of duty should be 7 hours in the 24 and that they should be exempted from duty on Sundays ;

- (5) that their service should be pensionable, and that there should be no liability to transfer, but that resignation should be compulsory in the event of marriage.
- (6) that the initial pay of female telegraphists should be Rs. 30 at Madras, Rs. 50 at Rangoon and Rs. 40 a month at all other stations in India, rising by annual increments of Rs. 2-8-0, which would commence from the fourth year's service in each case, to Rs. 70, 90 and 80, respectively.

It was also ruled that there should be no bar to the employment of native women provided that suitable candidates were forthcoming.

After some months' trial of the scheme, it was found that, except in Madras, candidates were not forthcoming in sufficient numbers to be of use, and that it was necessary to make the conditions of service more attractive. It was accordingly decided in January 1909 to reduce the minimum limit of age for admission to the training classes from 18 to 16 years, and to re-arrange the scale of pay so as to allow of the maximum being attained in the eleventh instead of the nineteenth year of service, by annual increments of Rs. 4 commencing with the second year. The opportunity was also taken to make the hours of duty for female telegraphists the same as for male operators with the exception that, as originally decided, the former should not be required to work before 8 A. M., or after 9 P. M.

In February 1908 the Government of India approved the employment of six women booking clerks in the Central Telegraph Office, Calcutta, as an experimental measure, on substantially the same conditions as those governing the employment of women as telegraphists, the only exceptions being that an allowance of Rs. 30 was to be given to these employees while on probation, that the initial pay should be Rs. 35 on confirmation rising to Rs. 60 a month, and that there was to be no exemption from Sunday duty.

Provision of house accommodation on a more liberal scale for the signalling establishment.

The Telegraph Committee found that residence in Government quarters was unpopular with the staff, and that the scale of accommodation allotted to individual telegraphists and Telegraph Masters was in some cases insufficient. To improve matters the Committee made the following recommendations regarding the provision of house accommodation for the signalling establishment of the Department :—

- (a) That no fresh quarters should be rented or constructed except for officers the nature of whose duties required them to live on the telegraph premises, or in places where the staff were unable to hire accommodation for themselves, or, at selected places, for young telegraphists who on first joining the Department were unable to live with their parents or relations.
- (b) That the unit of accommodation should be raised from 200 to 220 square feet with a bathroom and such verandahs as the climate and aspect rendered necessary.
- (c) That each telegraphist should get one unit free instead of half a unit, each married Telegraph Master two units instead of one, and each Deputy Superintendent three instead of two.

- (d) That in allotting accommodation the needs of the men who had to live on the premises should first receive consideration, any extra accommodation required being allotted to them on payment of rent at the existing rates for all accommodation in excess of the free scale.
- (e) That the quarters intended for young telegraphists should be erected in a few places, specially selected by the Director-General of Telegraphs, for occupation by men with less than five years' service, the seniors vacating when the juniors joined ; and that the quarters in each station should be built in one block large enough to contain a common mess room, the unit of accommodation for each individual telegraphist and quarters for a married telegraph master or telegraphist who should have general charge and be responsible for order and supervision of the premises.
- (f) That the rest of the staff, whose duties do not require them to live on the Telegraph premises, should live sufficiently near for their services to be available when needed, and that, when any accommodation was available in the existing quarters, they should be called upon to occupy it rent free, forfeiting their allowance for house-rent for such period of occupation.
- (g) That dormitories should be built for the use of that portion of the night watch which is not actually on duty for the whole of the watch.

All these recommendations, with the exception of the last, were accepted by the Government of India in February 1908.

In March 1906, with a view to encouraging telegraphists to take up, as a speciality, technical and mechanical work which would not ordinarily be included in the term " signalling work ", the Government of India had approved the proposals of the Director-General of Telegraphs for the training of a certain number of Telegraph Masters and telegraphists in the higher branches of practical electrical knowledge, and the grant of monthly allowances of Rs. 50 and Rs. 25, respectively, to men who, after obtaining a 1st or 2nd class certificate, were selected to fill one of the 8 first class, or 13 second class, technical appointments sanctioned by the Government of India. These appointments were abolished on the transfer of the men holding them to the Technical Branch formed in 1910.

A sum of Rs. 6,000 was placed at the disposal of the Director-General of Telegraphs in May 1905, for the purpose of granting overtime allowances, under certain conditions, to members of the signalling establishment. The pressure of work during 1905 was, however, so great that this sum was found to be inadequate, and the grant for 1905-06 was increased to Rs. 20,000 while that for future years was fixed at Rs. 10,000. It was hoped that it would be possible to devise a system by which the remuneration of telegraphists would be regulated to a large extent by the amount of work, in which case all overtime allowances would be withdrawn. Meanwhile orders were issued that the allowances were not to be given as a matter of right, but as rewards for specially good or specially arduous work performed out of the usual working hours.

In November 1907, it was represented to the Government of India that the rates of overtime allowance hitherto granted to telegraphists in the Indian Telegraph Department, which amounted on the average to one hour's extra pay for each hour's extra work, were not sufficiently attractive, and did not compensate the telegraphists for the expenses incurred by them when they were required to come on duty from a distance. It was further pointed out that the inadequacy of the allowance formed one of the chief causes of discontent amongst a portion of the signalling establishment, and that it was impossible to obtain volunteers for overtime work in Calcutta. Mr. Newlands, to whom the question was referred, considered that the hours of work of the signalling establishment should, as in the British Post Office, be defined, and that overtime should be given for all extra duty performed, whether voluntarily or under compulsion, as a matter of right. The Government of India were not then prepared to endorse this suggestion, but the grant of overtime allowances at a rate approximately equal to time-and-a-quarter, which is the rate in force in the British Post Office, was sanctioned with effect from December 1907. At the same time the restriction under which pie-money could not be earned simultaneously with overtime was withdrawn.

Admissibility of service under the old scale for increments under the reorganisation. Revision of the rates of overtime allowance for work performed at night.

After consideration of a large number of representations received from the members of the Signalling staff it was decided in August 1909 that increments under the new scales of pay introduced with effect from the 1st July 1908 should take effect from the dates on which they would have been earned under the old scales of pay, and that overtime for work performed at night should be paid for at the rate of time-and-a-half instead of time-and-a-quarter.

Abolition of Check Office fines. Decision that Telegraph Masters and persons drawing Rs. 100 or more a month should not be fined.

Among the minor matters affecting the subordinate establishment of the Department, in which the Telegraph Committee considered that the system hitherto in force admitted of improvement, was the system by which fines were inflicted on signallers by the Check Office on account of errors detected in the scrutiny of messages conducted there. The fines, it was found, were often imposed by the mere mechanical application of the rules, they were quite uncertain in their operation, and not only were the penalties severe, but they were often unfair because, when the nature of the fault was such as to render it impossible to determine whether the sender or receiver was to blame, both were fined. For these reasons the Committee were strongly of opinion that the power of fining the signal office staff including clerks, exercised by the Check Office, should be withdrawn.

The Government of India accepted this recommendation, and decided that the practice of inflicting fines on the staff of signal offices should be discontinued with effect from the 1st January 1908, and that the action of the Check Office should in future be confined to reporting such errors as were discovered to Superintendents of Divisions for disposal. These officers were directed to inflict no punishment unless the fault could be brought home to the guilty party, and to have recourse to fining as seldom as possible. The proper punishment for casual acts of carelessness or mistakes was, it was added, a warning or a remark in the offender's personal record; serious cases or instances of habitual carelessness being met by the withholding of increments or promotion, or by degradation. The fining of Telegraph Masters or of persons drawing more than Rs. 100 a month was prohibited altogether.

Two of the points referred to the Telegraph Committee of 1906-07 for consideration were the questions of the re-organisation of the Check Office of the Telegraph Department and the amalgamation of the Postal and Telegraph Account Offices. Re-organisation of the Check Office and amalgamation of Postal and Telegraph Accounts offices.

The Committee recommended :—

- (i) that the Check Office should be placed in charge of the Examiner of Telegraph Accounts who would have an additional Accounts officer attached to his staff,
- (ii) that the Faults and Complaints section should be placed temporarily under the Director of Traffic until the Check Office had been re-organized by the Examiner, and
- (iii) that when the Check Office had been re-organized the Faults and Complaints section should be re-transferred to the Examiner and the whole of his office should then be amalgamated with the Postal Central Audit Office and decentralised to the same extent as the Postal Accounts.

It was agreed that, of the somewhat diverse functions of the Check Office, the important work of audit of revenue, the adjustment of accounts and the preparation of statistics could be far better dealt with by a trained Accounts officer than by an officer of the Telegraph Department; but it was considered that the investigation of public complaints was not a task which an Audit Officer should be called upon to perform, and it was proposed therefore that the Complaints and Faults section of the Check Office should be transferred permanently to the office of the Director General of Telegraphs as soon as the Check Office had been placed in charge of an Accounts officer.

As regards the decentralization of the work of the Check Office recommended by the Committee, it was considered that little advantage would accrue from carrying on the Check Office work at several centres instead of one, that such a system would involve great and insuperable difficulties, and that the office should not be decentralised, but be located at Calcutta as at present.

It was recognised that the amalgamation of the Postal and Telegraph Accounts offices would be a beneficial measure and that it would lead to economy in establishment and would conduce to the more prompt and efficient discharge of public business; but it appeared preferable, especially as it was not proposed to decentralise the work of the Check Office, that the amalgamation of the Postal and Telegraph accounts should not be postponed, as recommended by the Committee, until the Check Office had been re-organised by the Examiner of Telegraph Accounts, and that the two accounts offices should be amalgamated at once, leaving any alteration in the organisation of the Check Office to be carried out by the officers who would ultimately be responsible for its administration.

The proposals of the Government of India to this effect received the approval of the Secretary of State in February 1910, and the new arrangements came into force with effect from the 1st April 1910.

(iii)—*Telephones.*

Telephone communications.

In October 1883, it had been decided that the construction, maintenance and working of all telephone exchanges for, and lines between, Government Offices, should be undertaken in all cases by the Telegraph Department, while in August 1884, it was further declared that Government Offices should not be connected with telephone exchanges worked by licensed companies. These orders remained in force until December 1905 when it was decided that, in view of changed circumstances, they should be discontinued. Local Governments and Administrations were empowered to sanction, at their sole discretion, the connection of Government Offices with private exchanges, and to determine the agency to be employed for the establishment of all telephonic communications, required by Government. They are required however in the latter class of cases to consult the Telegraph Department, and to pay due regard both to local circumstances and to the relative cost of the construction of the lines by private and by departmental means before arriving at a decision.

Revision of the rates charged by the Telegraph Department for telephone connections.

With effect from the 1st January 1907 the rates charged by the Telegraph Department for the following classes of telephone connections were revised :—

- (a) private exchange connections worked by the Telegraph Department,
- (b) internal connections.

In the case of the former, the rates fixed for exchanges of less than 20 connections were reduced, and assimilated to those charged for exchanges of 20 or more connections. In the case of the latter, a reduction of 25 per cent was made in the rates for exchange connections, and the charge for telephones used on non-exchange connections, was raised from Rs. 35 to Rs. 45. The object of these changes was to place the rates on a more uniform basis.

Terms for the establishment of trunk telephone lines between places which have telegraphic communication.

In 1909 the Government of India found it necessary, in connection with applications which had been made for trunk telephone communication, to consider the general principles which should be adopted in fixing terms for the erection of trunk telephone lines between places which have telegraphic communication.

It was decided that all trunk communications should be retained in the hands of Government and that licenses granted to telephone companies should continue to be confined to local areas. It was considered that with a properly adjusted tariff of charges for the use of a trunk line it would not be necessary to take into account the loss of telegraph revenue which would follow its erection, and that any trunk telephone line should be constructed, maintained and worked by the Indian Telegraph Department provided that a revenue sufficient to cover the usual interest, maintenance and depreciation charges is guaranteed by the promoters of the line.

(iv)—*Wireless Telegraphy.*

Adoption of a form of license required for the use of wireless telegraphy in India for experimental purposes.

The advisability of requiring all private persons or firms, desirous of establishing and working wireless telegraph apparatus for experimental purposes to take out a license authorising them to conduct such experiments was brought to the notice of the Government in May 1906. The Government of India decided that the issue of such licenses was necessary in order to protect the

absolute monopoly of all forms of telegraphy conferred upon the Governor General in Council. A model form of license, adapted to the requirements of India from a form which had been recommended by the Cable Landing Rights Committee for adoption in the Colonies, was accordingly prepared ; and, after approval by the law officers, was introduced with effect from December 1906. No license is granted without the express sanction of the Government of India.

Communication by wireless telegraphy between the Andamans and the Mainland, *via* Diamond and Slipper Islands, was maintained without interruption (except for an hour or two at a time) since the route was thrown open to the public in October 1905. Wireless
graphs. Tele-

The system employed is the Lodge-Muirhead, and the instruments were found to work exceedingly well as soon as the operators had acquired the necessary experience. Certain improvements in the instruments were introduced on the initiative of the officers of the Department with the aid of suggestions from Dr. Muirhead, more powerful alternators being employed and a telephone operated by a carbon steel coherer substituted for the Lodge-Muirhead coherer operating a syphon recorder. The system, like all existing systems of wireless telegraphy, is liable to interruptions from atmospheric disturbances, which are found to be most frequent at the end and just before the breaking of the monsoon.

In September 1905, the establishment, with apparatus constructed for the purpose in the Telegraph Department workshops at Alipore, of a wireless telegraph station on Saugor Island for communication with the Pilot Vessel " Fraser " at the Sandheads was approved, and communication was established on the 2nd November. It was subsequently decided to remove the wireless telegraph station from Saugor Island to Alipore.

The wireless telegraph stations were for the most part established at isolated and unattractive spots, and in order to induce competent men to undergo the inevitable discomforts it was found necessary to sanction extra allowances for the staff.

At the instance of Lloyd's Committee, it was decided in February 1906 that the arrangements by which telegrams in connection with shipping casualties sent " bearing " from coast signal stations to the nearest Lloyd's agent are accepted at press rates, should be extended to all wireless telegraph stations.

In April 1904 the Government of India were informed of the heads of the arrangement entered into by the Admiralty with the Marconi Wireless Telegraphic Company for the provision of installations in the United Kingdom and at certain places abroad. It was intimated that the Admiralty did not contemplate the introduction of any general scheme of wireless telegraphic installations in the Empire, and that the arrangement with the Marconi Company would not cover India, where the provision of stations was left to the initiative of the Government of India. The Admiralty recommended the employment of Lloyd's Agency for the establishment and working of such Indian stations as might be considered necessary. Subsequently a suggestion was received from Lloyd's that wireless telegraphic stations should be established in this country primarily for the diffusion of commercial maritime intelligence. It was also Establishment of
coastal wireless tele-
graphic installations
for strategical pur-
poses in India, etc.

requested that Lloyd's might be granted a monopoly of wireless telegraphy in India.

The matter was one which demanded careful consideration, in view of the important strategical and commercial interests involved, and it was not until February 1905 that His Majesty's Government were informed of the Government of India's views on the subject. It was then recommended that stations should be established, for strategical purposes and at the expense of Indian revenues, at Aden, Madras, Bombay, Cape Comorin and Saugor Island (the site of the last station has recently been changed to Calcutta), and that one set of instruments and fittings should be kept in reserve for use at a station in the Persian Gulf, to be determined later. It was not possible to make definite proposals in regard to the *personnel* and working of the stations, in view of the probability that the Marconi Company would resist the employment of Lloyd's except in connection with the collection and dissemination of intelligence relating solely to merchant shipping. It was also considered inadvisable to enter into a binding agreement with the Marconi Company or any other Company, as the rapid development of wireless telegraphy pointed to the possibility of the early evolution of a better system. In these circumstances, the question of the grant of a monopoly to Lloyd's was deferred. These views commanded the general assent of the Secretary of State; and further action was postponed pending the settlement of the disputes which had arisen between Lloyd's and the Marconi Company. A compromise was effected towards the close of May 1906, and the Government of India were then called upon to pronounce a definite opinion on Lloyd's request for a monopoly, and to submit proposals as to the *personnel* and working of the wireless telegraphic stations to be established for strategic purposes.

After the settlement of certain subsidiary legal questions, the Government of India, in consultation with the telegraph authorities, arrived at the conclusion that a monopoly should not be granted to Lloyd's or to any other corporation or individual. The advantages to be derived from such a monopoly would be intangible, and it would be next to impossible to safeguard the interests of the State in any agreement in view of the rapid development of this branch of applied science. Lloyd's was also considered an unsuitable agency for the establishment and maintenance of the strategic installations, owing to the hampering effect of the restrictions imposed upon them by their contracts and agreements with the Marconi Company.

In the circumstances the Government of India in March 1907 submitted to His Majesty's Government the following proposals to which the concurrence of the Admiralty was invited :—

- (a) that the duty of establishing and maintaining the Wireless Telegraphic stations referred to, and any others which it might be necessary to erect, should be entrusted to the Telegraph Department;
- (b) that the *personnel* required for the working of the installations should be supplied by that Department;
- (c) that the spare sets of instruments, to be obtained for erection at a selected point in the Persian Gulf, should be held in reserve at Bombay.

The sanction of His Majesty's Secretary of State to, and the concurrence of the Admiralty in, this scheme were received in September 1907, and the feasibility of its early execution was then considered. It was decided before carrying it out to request His Majesty's Government to invite tenders for the supply of the nine sets of apparatus required to be installed, from the Companies exploiting the principal systems of wireless telegraphy in use in Europe and America, in order that the most economical and efficient system might be adopted. The question of the range over which the installations should work was left to the decision of the Admiralty.

In July 1908 the Secretary of State informed the Government of India that the Admiralty had pointed out certain advantages that would ensue if the range of the proposed stations were increased to 500 miles and he asked that this point and certain other suggestions made by the Admiralty might be considered. Meanwhile it had become necessary to consider the question of the establishment of inland wireless telegraph stations with a view to rendering the Government of India and Local Governments independent of the telegraph wires in the case of internal disturbance, and it was eventually decided that the linking up of the head-quarters of the Civil and Political Administrations throughout India, was a question of paramount importance not to be subordinated to the naval and mercantile marine requirements, which largely govern the erection of coastal stations. Proposals were accordingly submitted to the Secretary of State in October 1909 which provided for the establishment, as funds became available, of wireless telegraph stations at 15 places in India to be maintained and worked by the Indian Telegraph Department and of one station in the Persian Gulf to be worked by the Indo-European Telegraph Department.

It was at the same time proposed that the working of wireless telegraphy in India should remain the absolute monopoly of Government and that no private individuals or Companies should be allowed to erect or work any wireless installations whatever.

The Secretary of State has approved generally of these proposals and a complete scheme showing the exact cost of the erection of the installations is now being worked out and will be carried into effect as funds become available.

In 1909 a temporary wireless telegraph station with a range of about 300 miles was established at Bombay for the exchange of public messages with ships at sea, and in 1910 a similar temporary station was established for political reasons at Jask.

In December 1906 the attention of the Government of India was drawn to the isolated state of the Southern portion of the Mergui District, and to the desirability of establishing telegraphic communication between the tracts in which industrial enterprises are being carried on by British subjects, and more advanced localities. The most effective means of attaining this was the opening of wireless telegraphic communication between Mergui and Victoria Point, with a land line between Victoria Point and Maliwun, as the cost of a through land line was found to be prohibitive. The Government of Burma accepted this view and instructions were issued in September 1907, for the provision of the required installation. An annual guarantee of Rs. 41,470 was given by the

Establishment of wireless telegraphic communication between Mergui and Victoria Point, etc.

Government of Burma in respect of the combined system, and the guarantee will remain in force for a period of ten years in the first instance.

Establishment by the Colonial Office of wireless telegraph stations at Aden and Berbera.

In May 1910 wireless telegraph communication was established between Aden and Berbera at the instance of the Colonial Office. The stations were erected by the Marconi Company but the staff to work them was provided by the Indian Telegraph Department, the Colonial Office bearing all expenses.

Adhesion of India to the International Radio-telegraph Convention of 1906.

In the autumn of 1906 a wireless telegraph Conference, which was attended by the delegates of the principal countries interested in the subject, was held at Berlin at the instance of the German Government. The result of the deliberations of the Conference was embodied in a Convention styled the "Radio-telegraph Convention", and detailed regulations for its working, framed on the model of the International Postal and Telegraph Regulations, were also drawn up. In August 1907 the Government of India were informed of the decision of His Majesty's Government to ratify the Convention, and it was then considered what course should be taken by India in the matter. An examination of the terms of the Convention showed that Indian stations would be subjected to certain restrictions in respect of the wave lengths to be employed, and that certain extra expenditure would be necessary in order to bring existing installations into conformity with the terms of the Convention, but that no direct or tangible disadvantage would result from adhering to it. On the other hand if India refused to adhere, the number of vessels with which the Indian stations could communicate would probably be restricted, and this point was of importance as, with free intercommunication between different systems, the number of wireless telegraph stations situated in British territory and the number of ships fitted with wireless apparatus would almost certainly increase. Finally the matter was clearly one in which India was bound to come into line with the British Government, unless there were strong and definite reasons for adopting a different course. It was accordingly decided that India should adhere to the Convention, and this decision was communicated to the Secretary of State in February 1908.

V—Miscellaneous.

A large number of miscellaneous subjects attracted the attention of Government, among the most important of which was the question of the revision of the tariff for inland telegrams.

Revision of the inland telegraph tariff.

In 1906 the Director-General of Telegraphs had forwarded representations from the Madras, Bengal, Bombay and Karachi Chambers of Commerce asking for a reduction in the charges on inland telegrams for words in excess of the unit number. It was pointed out that, in the case of urgent and ordinary telegrams, the charge for each additional word was twice that for words within the unit limit, while as regards deferred telegrams it was two and a half times as much. In consequence of this anomaly, senders of long telegrams gained a considerable pecuniary advantage by splitting up their messages into separate telegrams, and it was urged that the prevalence of this practice caused inconvenience to the public, and an appreciable loss of revenue to the Telegraph Department. The Chambers, therefore, recommended that the charge for the additional words should be reduced by one-half in all cases.

The Government of India, while recognising the existence of the anomaly referred to—due to the grant on the 1st January 1904 of a large reduction in

the tariff—could not admit that the existence of this anomaly furnished an adequate reason in favour of further immediate reductions involving an initial loss to Government of approximately seven lakhs, which would be to a large extent recurring. Had the practice been resorted to so largely as to render it unnecessary to maintain the double charge on the additional words, *i.e.*, if the further loss to be incurred by a reduction were trifling and the convenience to the public considerable, the Government of India would have been inclined to consider the proposal favourably. But evidence was obtained which showed clearly that the practice did not prevail to any appreciable extent, and that the initial and recurring loss involved in the acceptance of the Chambers' proposal would be heavy. The Chambers were, therefore, informed that the Government of India recognised that an anomaly existed which it would be necessary to remedy at some future time. They regretted, however, that they were unable to make any reduction in the tariff at once or to hold out any hope that it would be possible to do so in the near future.

In less than two years after this it was found necessary to undertake a complete revision of the tariff, but not in the direction of reducing it. For many years three classes of messages had been recognized by the Indian Telegraph Department, Urgent, Ordinary and Deferred. The Urgent class was originally devised for the benefit of persons for whom the Ordinary was too slow, and the Deferred class was a concession to those who could not afford the cost of an Ordinary telegram, while they were content with a rate of speed which considerably exceeded that of a letter. At first, indeed, Deferred messages were delivered by post.

This triple classification was inconvenient and cumbrous, and as traffic arrangements improved was fast becoming obsolete. The fact that three classes of messages had to be dealt with, rendered the procedure in signal offices unduly complicated, and caused delay to the traffic as a whole. Moreover, the public were no longer content with the leisurely methods which once passed muster, and year by year the transmission of deferred messages was accelerated. The result was that the Ordinary class gradually dropped out of public favour. In 1903-04, the Ordinary private messages numbered 1,188,612 and constituted 21·44 per cent of the total; in 1907-08 they fell to 1,089,202 and were only 10·40 per cent of the total. At the same time the proportion of Urgent messages remained almost stationary, while the proportion of Deferred messages rose from 73·70 per cent to 84·24 per cent. The financial results of this process would have been most serious, for calculations had shown clearly that every 4 anna telegram sent involved a loss to the Department, and there was no hope that even if the most rigorous economy were insisted on, this loss could ever be made good.

It was therefore decided that there should in future be two classes of messages only, *viz* :—

- (a) the Ordinary class, which might be expected to include the great bulk of the messages; and
- (b) the Express class, which would be used when it was desired to secure great urgency,

and the following revised tariff was finally devised and brought into effect from the 1st January 1908:—

Class.	Unit No. of words.	Unit rate.			Each additional word.			Address.
		Rs.	A.	P.	Rs.	A.	P.	
Express	12	1	0	0	0	2	0	Charged for.
Ordinary	12	0	6	0	0	0	6	Do.

The rates for the higher class were fixed with the object of attracting into the new Express class as large a proportion as possible of the old Ordinary class. On the other hand, the rates in the new Ordinary class which are the same as those in force in the United Kingdom were adopted with the two-fold object of securing a more adequate sum as the minimum price of a telegram, and, by reducing the charge for additional words, of rendering impossible the practice by which long telegrams had formerly been split up into several shorter messages. It was with great reluctance that the Government of India abandoned the four anna telegram, which was undoubtedly a boon to the masses and had done much to popularize the use of the telegraph, but the financial position was such that the change was inevitable.

Principles to be observed in the despatch of State telegrams.

On the introduction of the new rates for inland messages with two classes instead of three, revised instructions were issued for the guidance of Government officers in the classification of State telegrams. It was laid down that, as a general rule, State telegrams should be sent in the Ordinary class, and that messages should be classed as Express only—

(a) in cases of great emergency ; and

(b) in cases where the despatching officer knew that the line was blocked and considered his message sufficiently important to take precedence of ordinary traffic.

Decision to levy fees for the re-direction of telegrams.

Under the rules in force up to the early part of the year 1909 all inland or foreign telegrams addressed to persons in India and requiring re-direction to other addresses within Indian limits, whether in the same town or not, were re-transmitted to such address without any additional charge. On the introduction of the revised telegraph tariff, however, it was decided that the practice obtaining in other countries, including the United Kingdom, should be followed and that, with effect from the 1st June 1909, the full inland rate according to the class of the telegram should be charged for the re-direction of all private inland telegrams, and inland Express rates for the re-direction of foreign private telegrams, when the new address was not in the same town.

Revision of the charges for the provision and maintenance of railway telegraph lines.

In December 1907 the Indian Railway Conference Association submitted certain proposals to the Government of India for the revision of the rent charges for telegraph lines supplied to Railways by the Telegraph Department. It was represented that the charge of Rs. 2-3 per mile of wire was unduly high and should be reduced, and it was suggested that separate rates should

be fixed for wires and posts, and that Railways should have the option of owning and maintaining separate lines of their own.

The Government of India, after consideration of these proposals, decided that in view of the fact that the great majority of the Railways are owned by the State, it was impossible to permit the construction of independent Railway telegraph lines, a measure which would cause much unnecessary expenditure to Government. The suggestion that separate rates for wires and posts should be fixed was equally inadmissible, since it would necessitate the keeping up of elaborate returns for every section of Railway in India, showing in each case the number of Railway wires and the number of Government wires, and would involve heavy work in the accounts offices in order to settle the rent payable by each Railway administration. It was therefore decided that the existing system of charging an inclusive rate per mile of wire should continue. But it was ascertained that the rate of rental could be reduced without loss to Government, and accordingly, with effect from the 1st April 1909, the charge for rent and maintenance of telegraph wires supplied to Railways was reduced from Rs. 2-3 to Rs. 2 per mile of wire per mensem.

With a view to expedite the transmission of calls for the repetition of messages, and to facilitate the adjustment of charges in connection therewith, the Government of India sanctioned in May 1907 the introduction of a system of deposit accounts with firms and individuals. It was decided to levy a commission of two per cent on the deposits to defray incidental charges. Subsequently in June 1908, the system was extended and applied to the despatch of all telegrams. At first a commission of one per cent was levied on the value of the telegrams despatched in order to cover the cost of maintaining the accounts, but eventually it was considered preferable to levy a fee of Re. 1 for every 25 telegrams despatched subject to a minimum charge of Rs. 10 per annum.

In July 1909 it was decided to abolish the system under which all Press messages were accepted for despatch "Bearing" and their cost recovered periodically from the newspapers to which they were addressed. It was considered that Press messages should be treated in the same way as public telegrams, the cost of which must be paid in full before they are accepted for transmission. The "Bearing Press" system had been found inconvenient as the accounts of various large newspapers remained outstanding for periods sometimes extending to two months. In its place a system of Deposits Accounts was introduced, under which a newspaper desiring telegrams from Press correspondents to be accepted without prepayment must deposit a sum of money equivalent to the average cost of the transactions for eight weeks or a month, according as the accounts are to be rendered monthly or fortnightly, subject in each case to a minimum of Rs. 50.

It was brought to the notice of the Government of India in March 1907 that the system, by which members of the public may register standing instructions for the delivery of telegrams during fixed hours, occasioned a good deal of extra work for which the Telegraph Department received no return. It was also found that the grant of this privilege free of charge, tended to encourage the evasion of the payment of a fee for the registration of an abbreviated address. To prevent this, and to secure an adequate return to the Department for the work done, the Government of India, following in this respect the system

Introduction of a system of deposit accounts with firms and individuals.

Introduction of a deposit system of accounts for Press messages.

Alterations in rules 91 and 267 of the Indian Telegraph Department Rules.

adopted by the British Post Office, decided to impose with effect from the 1st July 1907, a fee for the registration of special delivery instructions similar to that levied in respect of an abbreviated address. Where the fee for an abbreviated address has already been paid, it will cover this second service also.

Introduction of a revised scale of fees for registered abbreviated telegraphic addresses.

In connection with the question of the delivery of insufficiently addressed telegrams, to which reference has been made in the section on Traffic Reforms, it was represented to Government that the fee of Rs. 10 yearly, or Rs. 5 half-yearly, which was charged by the Telegraph Department for each abbreviated telegraphic address registered, operated harshly on firms who had a number of agencies and branches and were consequently obliged to register a large number of telegraphic addresses. It was accordingly decided in October 1909 to introduce the following sliding scale of fees for a number of abbreviated addresses registered by the same firm :—

For the first 10 abbreviated addresses	...	...	Rs. 10 each.
For the second 10 abbreviated addresses	...	...	„ 5 „
For each subsequent abbreviated address	...	...	„ 3 „

Limitation of Sunday and holiday work in telegraph offices.

Another important change which was carried into effect was the limitation of work in signal offices on Sundays and holidays. The proposals made by the Telegraph Committee in this respect were accepted by the Government of India subject to certain modifications, and were brought into effect from the 1st July 1908. The most important change made was that inland telegrams at the lowest rates were not to be accepted for transmission on Sundays and the four principal holidays. It was also decided that except in a few of the largest towns all offices other than the principal one should be closed on these days. In the case of the offices which were not altogether closed, the hours for which they were kept open were considerably abbreviated. Improvements in traffic arrangements made it possible to reduce the hours of night working in a number of signal offices. In cases of public emergency the District Magistrate was empowered to order that a telegraph office shall be kept open specially, beyond its ordinary hours of working. At the same time it was provided that any member of the public or Government official may procure the despatch of an urgent telegram during the hours when an office is closed, by the payment of extra fees.

Revision of the rules for the treatment of inland telegraphic money orders.

Under the rules in force prior to the 1st October 1909, the number of words to be signalled in a Telegraphic Money Order Advice on account of the remitter's name and payee's name and address, was restricted to a limit of six. It was, however, found that it was not always possible to restrict the number of words to the limit prescribed by the rules, and it was accordingly decided that the practice obtaining in the United Kingdom should be followed and that with effect from the 1st October 1909, Telegraphic Money Order Advices should be charged for at the usual rates for Inland telegrams. It was also decided that no more words or figures should be made obligatory in the Telegraphic Money Order Advice than are absolutely necessary and that the remitter should be allowed to add a private communication at the end of an advice on paying for the additional words at the usual rates.

Among other subjects of more general interest the following deserve mention :—

Measures for establishing censorship over submarine cable communications in time of war.

In August 1902 a Committee had assembled at Army Head Quarters to consider the measures necessary to secure the establishment of an effective censorship over submarine cable communications in time of war. The recommendations of this Committee were considered by the War Office, and it was decided that the arrangements suggested by the Committee should be adopted on the outbreak of hostilities, and that the necessary preparations should be made during peace. Under the scheme the Telegraph Department is responsible for the maintenance of properly corrected lists of abbreviated addresses, including private and confidential addresses, which will be supplied to the censors. To ensure the proper censorship of telegrams at land line frontier stations beyond Moulmein and Bhamo on the one side and Karachi and Gwadur on the other where no censors will be stationed, it was arranged that the Telegraph Department should refer messages passing between foreign territories and offices between the censor station and the frontier to the nearest censor. The Director-in-Chief of the Indo-European Telegraph Department was instructed to make similar arrangements for the section lying between Karachi and Jask. Arrangements were also to be made to replace all native and Eurasian signallers on the Quetta-Robat and Chitral-Srinagar lines by Europeans or by specially selected Eurasians.

In October 1906 the Government of India sanctioned the laying of the first underground telegraph cable of any length in India. It extended from Bombay to Dadar, a distance of about seven miles. An underground cable was necessitated by the insecure position of the main telegraph line in Bombay, which ran along the Bombay, Baroda and Central India Railway, and, for want of space, was too close to the rails. No suitable alternative route could be obtained for such a heavy aerial line.

Sanction to the laying of an underground telegraph cable from Bombay to Dadar.

In view of the constant and prolonged interruptions to which the land lines leading into Burma were subject by reason of the severe climatic disturbances in the Gangetic Delta, and the difficulties attendant on the speedy repair of lines in the forest and hilly tracts traversed, the Director-General of Telegraphs proposed, in November 1906, that a deep sea cable should be laid from Madras to Cape Negrais, so as to provide a reliable alternative route, and thereby ensure the maintenance of uninterrupted telegraphic communication between India and Burma.

Improvement of the telegraphic communication between India and Burma.

The Government of India did not consider it advisable at that time to undertake the large capital expenditure and heavy maintenance charges which would be involved in the adoption of this suggestion. It was certain that the cable would not prove remunerative, and the Government of India were of opinion that it would be possible to provide a reliable service to Burma by the much more economical alternative of improving the existing land lines. Another reason which made them reluctant to incur the heavy cost of laying a cable was the expectation, that recent developments in wireless telegraphy would render possible the adoption of that method as a subsidiary means of communication between Burma and India. They accordingly decided, in March 1907, that special measures should be taken for the upkeep of the land lines, which would be materially improved in the near future by the bridging of the lower Ganges, and the construction of the railway to Gauhati.

In February 1909 sanction was accorded to the expenditure of Rs. 6,07,200 on the improvement of the land lines between Calcutta and Rangoon. The measures taken will, it is hoped, have the effect of materially strengthening the lines and rendering them less liable to interruptions from storms, floods and falling trees, and also of improving the means of communication along the lines and rendering inspection easier and more effective.

Renewal of the guarantee for a further period of five years in respect of certain combined offices.

Limitation of the currency of all provincial guarantees to ten years.

Since 1905 the guarantees given by Local Governments in respect of unremunerative telegraph lines erected for administrative purposes have ordinarily been limited to five years. In practice, however, this limit was found to be insufficient, and it was necessary in several cases to extend it. In view of this fact it was thought that a period of ten years would give a better working criterion of administrative necessity, and it was accordingly decided in December 1907 that this term should be fixed as the ultimate limit of the currency of all provincial guarantees. The new limit will be absolute, and the continuance of guarantees after the lapse of ten years will in no circumstances be permitted.

Extension of the combined office system and revision of the conditions under which guarantees are demanded in respect of unremunerative telegraph offices.

With a view to facilitating the expansion of the combined office system the Telegraph Committee recommended that :—

(a) the amount of the guarantee to be demanded from Local Governments and Administrations before opening new telegraph offices not expected to be remunerative should be reduced to one-half of the estimated expenditure on the office, and

(b) in backward tracts such as Assam and the Duars no guarantee for a new office should be demanded, if the whole group of offices on the same line is remunerative.

The Government of India accepted the Committee's proposals in June 1909 and decided that, in order to determine the amount payable at the end of a year half the income of the office should be deducted from the amount guaranteed; and that payments on guarantee owing to the losses on a year's work should be, reduced to the extent of any credit to Government which may have accrued on; the working of previous years.

Strike of signallers in the Indian Telegraph Department.

Finally mention must be made of the serious trouble which arose with the staff in 1908, and which for a short time almost paralysed the telegraph system of the country. A growing feeling of discontent among the subordinate ranks of the Department had manifested itself in 1906, and in October of that year a memorial, prepared by a body styling itself the General Memorial Committee, had been submitted by a large number of telegraphists, in which representations were made regarding the inadequacy of their pay and allowances, the harshness of the existing rules regarding leave and transfer, the unsatisfactory arrangements of night watches and meal reliefs, and the compulsory overtime duty. A fresh representation had followed in January 1907, and both memorials were referred to the Telegraph Committee which was already inquiring into the organization of the signalling establishment. The mouthpiece of the agitation was a paper entitled the "Telegraph Recorder" published at Rangoon and edited by Mr. H. Barton, a 1st grade Telegraph Master, then on leave, who was Secretary to the General Memorial Committee.

The Telegraph Committee in their report, had as has already been related, submitted proposals for the reorganization of the signalling establishment and for the improvement of the rates of pay. The scheme was of a complicated character and demanded the closest examination before a decision could be reached. The Government of India considered that it would be inadvisable to publish the Report until they had submitted their recommendations to the Secretary of State and received his orders thereon. This course of action, however, was regarded with suspicion by the staff, and towards the end of the year 1907 the organised agitation was renewed by means of inspired articles in the newspapers, public meetings, and a petition presented to the Viceroy in Rangoon in November 1907, in which an assurance was demanded that the Committee's scheme was favourable to the men. Meanwhile, the traffic reforms initiated by Mr. Newlands had aroused opposition from some of the officials affected by them, and the prevailing discontent was intensified. Both in December 1907 and in March 1908, conclusive evidence as to the unrest was afforded by deliberate delays to traffic caused by slow working, and in the latter month memorials were received from all parts of India praying that Government would declare their intention to effect an improvement in the pay and prospects of the staff. The assurance asked for was given, and at the same time the staff were reminded that certain minor grievances had already been redressed by the abolition of the increment test and the system of Check office fines, by the reduction of transfers, and by the increase of the rate of overtime fees.

The position, however, still remained an anxious one, and a crisis was precipitated by the announcement that, with effect from the 1st April 1908, a new arrangement of the hours of duty would be introduced. The former system was based on a nominal period of duty of 56 hours a week, but as the night watch was ordinarily divided so as to permit each man from three to four hours' sleep the actual period of duty was only 47 to 48 hours. The 24 hours were divided into three watches of 8, 5 and 11 hours and in the course of three successive days every man came on duty in each watch in succession. Under the new system, the practice of sleeping while on duty was prohibited, the weekly period of duty was fixed at fifty hours (8 hours on week-days and 2 hours on Sundays), and overtime was to be paid for all work in excess of these limits. Every man was to remain on the same hours of duty of a week at a time. The object sought to be attained by these changes was to facilitate work, to adjust the strength of the staff to the work to be done at each hour of the day and night, and to reduce night duty to a minimum. It was designed as much in the interests of the staff as of the Department, but the men failed to realize the advantages it afforded and took particular exception to the demand for eight hours' continuous duty at night.

Active opposition to the new system commenced at once. The methods employed included slow working with intention of causing congestion of traffic, and absence from office on the feigned plea of sickness. The declared object of the men was to dictate terms to Government. By 8 A. M. on the 1st April there were already heavy arrears between Calcutta and Rangoon, Bombay and Madras. The situation grew worse during the next few days, and before long all the important centres were affected except those in the south of India

where the staff for the most part remained loyal. All messages were subjected to enormous delay, and for practical purposes the deferred and ordinary traffic was completely suspended.

In dealing with the situation Government was faced by a variety of difficulties, not the least of which were the failure of the responsible officers of the Department to furnish prompt and reliable information as to the actual facts, and their delay in availing themselves of the services of the Postal telegraphists, who had been kept in readiness for the special purpose of obviating serious delays and difficulties in the event of misconduct on the part of the Telegraph Staff. Meanwhile, the commercial community, alarmed by the delay to their messages and the loss and inconvenience to which business transactions were subjected, made repeated appeals to Government to put an end to the crisis by an immediate surrender to the demands of the staff. The same course was followed by most of the newspapers throughout the country, and the irresponsible journalism of Calcutta and Rangoon was conspicuous by the unreasoning support which it lent to the disaffection.

Attempts were at first made to improve matters by issuing orders that men detected in deliberate slow working or remaining absent without producing medical certificates would be suspended. These measures were rendered ineffective by the undisguised sympathy of the subordinate supervising staff with the signallers. The block in traffic continued until the situation became intolerable, and it became clear that an effort must be made to get rid of the disaffected and replace them. On the 7th April, Superintendents of Divisions and Central Offices were authorised to dismiss 10 per cent of their staff wherever slow working prevailed. This was followed, as was expected, by the open declaration of a strike at the big centres, Rangoon taking the lead and being followed by Calcutta, Bombay, Agra and other towns, including all the important offices in Burma. Madras and the offices in Southern India remained unaffected as before.

Steps were at once taken to fill the vacancies by transferring Postal and Military telegraphists to the offices concerned, and in the course of a few days a decided improvement in the disposal of traffic was effected. Arrangements were also made for the disposal of the through foreign traffic to the Far East by handing over to the cable companies through wires between Bombay and Madras. Deferred messages could not be accepted during the first few days of the strike, but messages of all classes began to be received at Calcutta on the 12th, at Bombay on the 13th, and at Rangoon on the 15th of April.

The Government of India had from the beginning made it clear that they were ready to modify the new system of duties if it could be shown in practice to be defective, and in order to terminate the situation they intimated on the 13th April that, if a fair trial were given to the system for about five weeks, a Committee would be appointed to examine its working during that period.

An announcement was also made by Government on the 15th April that the improvement of pay promised in March 1908 would, with the sanction of the Secretary of State, take effect from the 1st July 1908, and the Director-General of Telegraphs was subsequently authorised to inform the staff that dismissed and suspended signallers would be allowed to resume their former

positions in the Department on signing a declaration to the effect that they regretted their action and undertook to work loyally, not only during the period of trial of the new duties, but also for so long as they remained in the Department. The men began to come in as fast as they could be admitted, and by the 21st April 1908, 386 men had returned to duty out of the 424 suspended and dismissed.

The Committee appointed to examine the working of the new system of duties commenced their enquiries on the 22nd April, and on the 28th May submitted a report in which they recommended that, subject to certain modifications of detail which had been accepted unanimously by the representatives of the signalling establishment, the new arrangement of duties should be retained. The Government of India accepted the recommendations of the Committee and in a resolution dated the 4th June 1908 directed the immediate adoption of their detailed proposals for the arrangement of the hours of work.

In July 1908, after discussion with all the officials concerned, the Director-General of Telegraphs intimated in detail certain precautionary measures which would be taken to guard against the occurrence of another strike, and to place the Telegraph Department in a stronger position to deal with combinations amongst its employés.

(vi) Foreign.

The contemplated connection of Ceylon with the Durban-Perth cable which had been agreed to by the Government of India on Imperial grounds, and for which it had been agreed to pay from Indian revenues half the subsidy of £24,000 a year for 20 years demanded for the construction of the line was abandoned, His Majesty's Treasury having decided that sufficient reason had not been shown for subsidising the line.

Connection of India with the Durban-Perth cable.

In January 1906 on account of the increased traffic between Europe and India the Director-in-Chief, Indo-European Telegraph Department, put forward certain proposals to provide an alternative route for telegraphic communication between Tehran and Karachi in addition to the Persian Gulf Cables. It was proposed to accomplish this by extending the land line under construction from Karachi to Panjgur to Merui, a station on the Nushki-Robat line. The Government of India agreed that this should be done, but suggested that a full examination of all possible routes from Panjgur to the Robat-Nushki line should be made before the connection with Merui was finally decided on.

Proposed connection of the Central Persia telegraph line with the Karachi-Panjgur line.

The India Office accepted this suggestion ; and, as a result of the survey of the country carried out by the local telegraph authorities, an alignment of 191½ miles from Chitkan *via* Ladgasht, Tank-i-Grawag, and the Rug pass to Nok Kondi, has been chosen as the most suitable for adoption. The Secretary of State and the Government of India approved of the route selected, and orders for the collection of the necessary telegraph material on the Indian side were issued.

In June 1906, on the recommendation of the Director-General of Telegraphs the Government of India sanctioned the reduction by one-half of the Indian terminal on all British and Colonial Government messages exchanged between places served by cable companies which carry such telegrams at half the ordinary rates. In the case of Aden and Africa the reduction took effect from the 1st August 1905, as the cable companies had actually reduced their charges

Reduction by one-half of the Indian terminal charges for British and Colonial Government messages exchanged between places served by cable companies which carry such telegrams at half the ordinary rates.

from that date, and in the case of other places from 1st July 1906. The Indian terminal had already been halved on Government messages exchanged with Europe and places beyond *via* the Eastern Telegraph Company's route on the ground that the company carried Government messages at half rates. No distinction of principle existed between that case and others in which the companies had made a similar concession. On the other hand if the terminal were halved there would be a gain in simplicity, the charge for State telegrams being then exactly half that for private messages, while the loss to India would be only the trifling sum of about Rs. 3,400 per annum.

Reduction by one-half of the Indian transit rate of 0.35 francs per word on all British and Colonial Government telegrams transiting India.

With effect from the 1st January 1907 the Indian transit charge of 0.35 francs per word was reduced by one-half on all British and Colonial Government telegrams which are transmitted across India. This decision was arrived at with the object of co-operating with the cable companies in securing more favourable rates for the transmission of British Government telegrams.

A proposal to reduce the rates for telegrams *via* Teheran from Fcs. 1.97 (Rs. 1-3-0) to Fcs. 1.82 (Rs. 1-2-0) by a reduction of the Indian and Russian terminal rates by Fcs. 0.75 was declined by the Government of India, on the ground that it is not desirable to divert traffic from the Suez route.

Reduction of the Indian terminal rate of .275 francs a word on messages from or to India on the one side and Aden, East and South Africa and places on the Red Sea littoral on the other, etc.

The reduction in March 1902 of the rates for telegrams exchanged between India and Europe to 2s. 6d. a word was followed in July 1904 by a corresponding reduction in the rates for messages between India and Aden, places on the Red Sea littoral, and Africa; but the further reduction of the rates between India and Europe from 2s. 6d. to 2s., which was effected in August 1905, did not affect the rates to these places. Several representations were made by the commercial public in regard to the rates to Aden, and the Government of India, being of opinion that a reduction was desirable, entered into negotiations on the subject with the Cis-Indian Joint Purse not only in the case of Aden, but also in the case of the other countries mentioned. It was indicated that an all-round reduction of one-fifth would be regarded as suitable, and that to secure this the Government of India were prepared to reduce the Indian terminal from 35 to 27½ centimes, provided that a substantial reduction was agreed to by the Cable Companies. In order to obviate possible opposition on the part of the Indo-European Telegraph Company, it was intimated that Government were prepared to reduce correspondingly the Indian terminal on messages to Russia in Europe, *via* Tehran. The Joint Purse, led by the Indo-European Telegraph Company, demurred to the reductions proposed, but their objections were eventually overcome. With the concurrence of the Secretary of State for the Colonies it was agreed that the grant of a landing license for the cable between Batavia and the Cocos (Keeling) Islands, for which the Eastern Extension Telegraph Company had obtained a concession, should be made contingent on the acceptance of the Government of India's request, and the Cable Companies then gave way, and consented to tariff reductions to all the regions concerned, with the exception of Egypt and Suakim, to which the Eastern Company's rates were already especially low.

The concessions obtained were considered satisfactory. With effect from March 1st, 1907, the inclusive charge for a telegram to Aden was reduced to Re. 1. The revised tariff to Africa and the Red Sea littoral was brought into force in April 1908, on the opening of the Batavia-Cocos route to traffic; and

the Indian terminal on the traffic exchanged with these places and with Russia in Europe, *via* Tehran, was reduced simultaneously.

Towards the close of the year 1904 steps were taken for the revision and renewal of the Burma-China Telegraph Convention of 1894, governing the exchange of telegraphic correspondence between India and China over the route *via* Bhamo, the desire of the Government of India being to foster the local traffic between Burma and China. The arrangement finally concluded, however, provided for material reductions in the terminal charges collected by India, not only in respect of local traffic, but in the case of through traffic also.

Proposed restoration of the Indian terminal rate on messages exchanged by the Bhamo route between India, Burma and Ceylon and places beyond China to the rates in force under the Burma-China Telegraph Convention of 1894. Modification of Article VI of the Burma-China Telegraph Convention of 1905.

The Eastern Extension Telegraph Company in October 1905 drew attention to the fact that the reduction of the terminal rates on messages transmitted to China and the Far East might affect the traffic on the alternative routes *via* Moulmein and Madras, and asked that, in accordance with the International Telegraph Convention and Regulations, the terminal rate *via* Madras might be assimilated to that levied on telegrams despatched by the Bhamo route. This claim could not be contested, so long as the rates remained unmodified and in the circumstances the only alternative to granting the Company's request was to treat the reduced terminals on the Bhamo route as purely local, and as applicable only to telegrams exchanged between China on the one side, and India, Burma and Ceylon on the other, the terminal charge on telegrams sent to places beyond China *via* Bhamo, being raised to the figure at which it stood under the Convention of 1894.

In the absence of any definite demand from the commercial community for a reduction of the cable rates to China and the Far East, it was decided that the Madras terminal could not be reduced as the sacrifice of revenue would be large. The difficulty which had arisen was therefore explained to His Britannic Majesty's Minister at Peking, and he was asked to obtain the views of the Chinese Government regarding the proposal to increase the charges for telegrams exchanged with places beyond China. The Chinese Government in March 1907 reluctantly gave their consent to the modification of the Convention of 1905 and the old rates for through traffic were reverted to with effect from the 1st June 1907.

In December 1904, it was agreed by His Majesty's Government that telegrams exchanged between the Persian Government and their Consul-General in India *via* the Central Persia telegraph line should be charged for at half the rates paid for private traffic. A similar arrangement with regard to British State telegrams had been provided for in the Convention of 1901, by which the erection of the Central Persia Telegraph line was agreed to, and it was stipulated that the two concessions should come into force simultaneously on the completion of the line. The Central Persia line was opened to public traffic from the 1st December 1907, and both concessions took effect from that date.

Reduction of the Indian terminal of 35 centimes to half in the case of messages exchanged between the Persian Government and their Consul-General in India over the Central Persia Telegraph line.

In July 1908 the Indian terminal on messages exchanged between India and West Africa *via* Cape Town was reduced from 35 to 27·5 centimes.

Reduction of the Indian terminal rate from 35 centimes to 27·5 centimes on telegrams exchanged between India and West Africa.

Application of the Indian inland rates to telegrams exchanged between India and the offices of the Indo-European Telegraph Department in British Baluchistan.

With effect from the 1st April 1908 it was arranged that inland rates should be charged on all telegrams exchanged between India and the Telegraph Offices of the Indo-European Department in British Baluchistan and the Mekran Coast. The offices affected are Gwadar, Pasni, Ormara, Las Bela, Panjgur and Karachi.

Introduction of a mixed Postal and Telegraph service between India and the United Kingdom.

With the approval of His Majesty's Secretary of State for India a mixed Postal and Telegraph service between India and the United Kingdom was introduced with effect from the 1st July 1909. Under this system a message telegraphed to Bombay is forwarded by mail steamer to London and on arrival at that place is telegraphed to its destination. Similarly a telegram sent by a person in England to London to be forwarded by the mail steamer is on arrival at Bombay, telegraphed to the place of destination in India.

Modifications in the rules for Foreign Press Telegrams.

In August 1906 the Eastern Telegraph and its associated companies decided to permit stock exchange and market quotations to be included in press telegrams transmitted over the systems under their control, and also to allow the despatch of multiple press telegrams under rules similar to those in the International Service Regulations. Both these concessions had not hitherto been admissible, under the conditions on which press telegrams were accepted at reduced rates. The Government of India consented to the proposals; and after the other interested Telegraph administrations had signified their approval, the concessions were brought into force with effect from the 1st January 1907.

Reduction of the rates for Press messages exchanged between the United Kingdom and India, Australia and South Africa.

The charge for Press telegrams exchanged between the United Kingdom and India was reduced from 1s. to 9d. a word with effect from the 1st August 1909, and the Indian terminal and transit charges for foreign press telegrams were at the same time reduced to 10 and 9 centimes, respectively.

Reduction of the rates for Press messages exchanged between Great Britain and the Straits Settlements from 1s. 4d. to 9d. a word.

With a view to a reduction in the rates for press telegrams exchanged between Great Britain on the one side and Penang, Singapore or Labuan on the other from 1s. 4d. to 9d. a word, the Government of India agreed in February 1910 to reduce their transit rates for such messages from 12 to 7 centimes a word.

Assimilation of the rates for private, state and press telegrams exchanged between Burma and Ceylon with those in force for such messages exchanged between India and Ceylon.

In May 1910 it was decided to abolish the extra charge levied on private, State and press telegrams exchanged between Burma and Ceylon and to assimilate the rates for such messages with those levied on telegrams exchanged between India and Ceylon.

Expansion of the News Service supplied to India by Reuters Telegram Company.

With a view to the expansion of the News Service supplied to India by Reuters Telegram Company the annual subsidy paid to the Company was increased in July 1910 from Rs. 1,800 to Rs. 2,600 a year as an experimental measure for one year, on the understanding that the total number of words cabled to India during the year did not fall short of 219,500 and that of this total not less than 69,500 words were cabled direct from London to Bombay or Calcutta. The Indian terminal rate on Reuters Press telegrams sent from Aden to Bombay during the same period was reduced from fcs. 0. 14 to f.c.s. 0. 035 per word to provide for the reduction of the total charge for such messages from 8d. to 2d. a word.

The Eastern Telegraph Company at the same time agreed to reduce the charges for all other press telegrams exchanged between India and Aden from 8d. to 6d. a word without any corresponding reduction in the Indian terminal.

(vii) Expansion of the Department.

The preceding account indicates that Lord Minto's Viceroyalty has been a period of almost continual change and reform in the telegraph administration of the country. Reorganisation has been the keynote of the administration, and the whole system of the Department has been carefully and completely overhauled. Meanwhile it is only necessary to add that the operations of the Department have steadily expanded. The number of miles of wire and cable has increased from 227,000 in 1904-05 to 286,000 in 1908-09; 500 new offices have been opened in the same period; the number of paid telegrams has risen from nine to thirteen millions, and their value from 88 to 97 lakhs. There is, it is true, some indication that the rate of increase in traffic has not in the last year been maintained, a result which is probably due in the main to depression in trade but it is anticipated that traffic will recover again before long with the improvement in trade, which is likely to set in. There is no doubt that the reforms which have been inaugurated have already had a marked effect on the efficiency of the Department as a whole and will, it is expected, be reflected in the growing popularity of the Department with the public.

CHAPTER VII.

GEOLOGY AND MINERALS.

Mineral production.

During the period under review there was a remarkable increase in the quantity of minerals produced in India. Taking for purposes of comparison the quinquennial periods, 1898-1903 and 1904-08, for which figures are available, the total average value of the out-put of the principal minerals rose from £4,329,927 in the former period to £6,716,325 in the latter period. The increase was mainly due to the progress made in developing coal, petroleum, manganese and mica.

The out-put of coal rose from 8,216,706 tons in 1904 to 12,769,635 tons in 1908. As a result of this development India now occupies the first place among the coal producing countries of the British dependencies.

The increased production of petroleum was due chiefly to the greater activity displayed in Burma. The out-put in that province, which in 1904 was 115,903,804 gallons, had risen in 1908 to 173,402,790 gallons.

India now competes with Russia for the first place among the world's producers of manganese ore, and is the chief contributor to the world's production of mica.

Revision of the Mining Rules.

In 1906 the revision of the Mining Rules was entrusted to an informal Committee, on which the mercantile community was represented. A draft set of rules has been framed in accordance with the recommendations of the Committee and circulated to Local Governments for opinion. The following are the principal alterations which have been suggested. The rules relating to the grant of Exploring Licenses have been omitted, and a revised procedure has been proposed for the grant of certificates of approval. A system of "pegging out" has been suggested in the case of districts where applications for mining concessions are numerous. The maximum and minimum fee to be charged per acre in the case of prospecting licenses has been prescribed, and it is to be levied in respect of the entire area covered by a license. Transfers of concessions to persons holding certificates of approval are to be permitted except in the case of specified minerals. The rule requiring that mining leases should be given out in blocks has been removed. Rule 22 (viii) of the existing rules has been amended so as to require mining operations to be commenced within 12 months from the date of execution of the lease, and to provide more definitely for the continuous working of the concession. Finally it is proposed to raise the rate of royalty on coal and to prescribe an alternative rate for gold and silver.

Transfer of the head-quarters of the Mines Department to Dhanbaid.

In 1905, after consulting the Bengal Government, the Mining Board and the Indian Mining Association, the Government of India sanctioned the transfer of the head-quarters of the Mines Department from Calcutta to Dhanbaid, which is the centre of the mining industry in Bengal.

Appointment of a third Inspector of Mines.

The appointment of a third Inspector of Mines, which had become necessary in order to cope with the rapid expansion of the work of the Mines Department, was sanctioned by the Secretary of State, and Mr. R. R. Simpson, one of the specialists in the Geological Survey Department, was appointed to the post.

Rules prescribing the qualifications which managers of coal mines must possess were issued in April 1906. In 1907 a simplified procedure for the submission of mining statistics to the Chief Inspector of Mines was introduced and revised forms in which information should be supplied were published.

Rules under the Indian Mines Act.

A mining course was opened at the Sibpur Engineering College in order to enable mine owners to obtain qualified managers for coal mines. In 1906 on a proposal of the Government of Bengal, which was considered by an informal Committee, it was decided that a portion of the mining course should consist of a stay of 6 weeks after the college vacation during the cold weather at a survey camp superintended by the Professor of Mining, and that a diploma on the principles of mining should be given at the end of the course. The form of the diploma to be granted for the Mining Course was settled and the college was recognised for the purposes of rules 32 and 33 of the Rules regarding Mine Managers' Certificates framed under Section 20 of the Indian Mines Act, 1901 (VIII of 1901).

Mining Course at the Sibpur Engineering College.

The unsatisfactory state of sanitation in the mining areas in Bengal induced the Local Government to suggest an amendment to the Indian Mines Act, 1901 (VIII of 1901), in order to provide for the introduction of proper sanitary regulations. As, however, the need for legislation in this respect was not felt in any other part of India, it was decided that a self contained Act applicable only to Bengal should be passed in the Provincial Council. The receipt of the necessary draft bill from the Local Government is awaited.

Sanitation in the Bengal Coal Fields.

On the closing of the Warora colliery on 1st May 1906 another colliery was opened at Ballarpur with the machinery and staff employed at Warora. It was decided that the Ballarpur colliery should remain under Government management until its success was assured, when the first convenient opportunity would be taken of disposing of the undertaking. Early in the year 1909 Messrs. Shaw Wallace & Co. protested against the sale of coal from the colliery to the public, to mills and to factories, on the ground that it seriously affected the Pench Valley collieries, and that such sales were opposed to the policy of the Government of India in respect of competition with private trade. The Central Provinces Administration explained to the Company that the colliery had been opened by Government in the absence of private enterprise to take the place of the Warora colliery in regard to the supply of coal to the public and to the industries of the Chanda District. It also showed that the Ballarpur colliery had drawn away no orders from the Pench Valley collieries and it considered that in the circumstances the Company had no cause for complaint. The Government of India informed the firm that they agreed in the opinion of the Chief Commissioner and added that it was not the intention to work the colliery permanently as a Government concern. They also asked the Chief Commissioner what steps he was taking to dispose of the colliery. The Chief Commissioner replied that he was causing the colliery to be valued by the Manager, and that when his valuation had been checked by an expert, steps would be taken to secure a purchaser.

Closing of the Warora colliery and development of the oil-fields at Ballarpur, Central Provinces.

The Burma Oil-fields engaged considerable attention during the period under review. In February 1905 the Standard Oil Company applied to the Government of Burma for a license for the erection near Rangoon of storage and settling tanks, and subsequently asked for permission to construct a

Memorial of the Standard Oil Company.

Measures to ensure that the Burma Oil Company shall not come under foreign control.

refinery for the purpose of refining crude oil bought locally. The Local Government, considering that the grant of the requests of the Company would be contrary to the previous decision not to allow them a footing in the matter of mining for oil in Burma, refused the applications and reported its action to the Government of India. After a reference to the Secretary of State, the Government of India upheld the decision of the Local Government. At the same time they considered that enquiries should be made as to the measures which should be taken to prevent the Burma Oil Company being brought under foreign control.

The result of the enquiries showed that no difficulty was apprehended except in regard to the blocks of land held by the Company under old leases which did not contain the provision, included in the revised forms for oil mining licenses and leases in Burma, prohibiting the licensee, without the consent of the Local Government, from coming to any arrangement with any Trust, Syndicate, Corporation or person, under which his operations are or may be carried on by or for the benefit of, or subject to the control of, such Trust, Syndicate, Corporation or person. It was eventually decided that the "additional clauses" of the prospecting license, as well as clause 9 of Part IX of the lease, revised if necessary, should if possible be extended so as to include in former leases and licenses the conditions regarding unauthorised transfer and improper understandings which were not at that time so included, and the Government of Burma was asked to take the necessary action. The necessary alterations were made in the form of prospecting licenses and mining leases for oil.

The Burma Oil
Company's concess-
sions.

The application made by the Burma Oil Company in 1904 for the grant of prospecting licenses over certain reserved blocks in the Yenangyat oil-field, in exchange for others in the same field, was held over pending the receipt of a report by the Geological Survey Officer (Mr. Pascoe) on the Burma oil industry and the extent to which the Burma Oil Company had prospected and exploited their existing concessions. On the receipt of the report the question was considered, and it was decided that the blocks should be given to the Burma Oil Company in preference to the Petroleum Syndicate who had also applied for them. Orders were also issued on two further points which were raised by the Burma Government, *viz.*, (1) the discontinuance of the policy of reserving certain blocks against the Burma Oil Company, and (2) the increase from 150 to 200 square miles of the maximum area which may be held by that Company under oil concessions. As regards the first point, it was considered desirable to maintain the existing policy until the managing agents of the Company were able to give satisfactory guarantees for ensuring the perpetual British constitution of the Company. It was decided not to move further in the matter until the question was again raised by the Company. With regard to the second point, the Burma Government was informed that as the Company did not appear to have applied since 1902 for any increase to the limit of the area which they are allowed to hold, it would be inadvisable without any specific reason to recommend any modification of the limit sanctioned by Secretary of State. The Company subsequently suggested that the most effective way of securing that the Company would remain under British control was the appointment of a Government Director on the Company's Board, who would have the power to postpone a decision on any point and to communicate it to Government. They were prepared to accept that arrangement provided Government would give them an assurance that they would raise the import duty on foreign oil

should the price fall below a minimum to be fixed. The Government of India were unable either to adopt the suggestion or to give the assurance asked for.

The question of the proper working and disposal of the well sites in the oil-fields in Yenangyaung, known as the Twingon and Bemé Reserves, was the subject of prolonged correspondence with the Government of Burma. Working of the
Oil Reserves in
Burma.

The Secretary of State, whose attention had been drawn by the Admiralty to the dangers arising from the excessive and unregulated prospecting operations in the Reserves, asked that an enquiry should be made into the matter with a view to the possibility of making regulations for the scientific and systematic working of the wells, so as to prevent the risk (1) of exhaustion of the field, (2) of flooding, and (3) of damage by fire. The position was rendered specially difficult by the claims advanced by the Twinzayos, or hereditary oil diggers, under the agreement arrived at with them in 1892. It was eventually decided that a Committee, with Sir T. Holland as President, should be appointed to consider the practicability of devising means to place the working of the Reserves on a proper basis.

The Committee considered that, in view of the proprietary interests concerned, a re-settlement of the field in blocks of a larger size than those existing was impossible. They proposed that a Regulation should be drawn up to control the working of the oil sands and to make provision against fires; that the administration of the Regulation and supervision of the field generally should in future be entrusted to a Warden assisted by an Advisory Board; and in so far as Government could take action to increase the distance between well sites in areas as yet unallotted, they strongly urged that such action should be taken. The Lieutenant-Governor was unable to recommend the adoption of the proposals made by the Committee for increasing the distance limit between well sites in the unallotted areas and for the formation of fire lines. The Government of India, however, accepted all the main proposals of the Committee, except a suggestion that legislation should be undertaken to empower Government to resume the subsisting grants and to re-issue them on revised conditions which were proposed. It was considered that the object which the Committee had in view could probably be attained without having recourse to legislation, to which there were strong objections. The conclusions of the Government of India on the Committee's report were communicated to the Government of Burma for necessary action, and a copy of the correspondence was sent to the Secretary of State. The drafts of a Regulation and the rules to be issued under it were accordingly submitted by the Local Government, but they were returned by the Government of India for revision in respect of certain matters.

In June 1909 the Secretary of State forwarded a letter from the Admiralty regarding an alleged scheme for exporting crude oil from Burma to foreign countries. Exportation of
crude oil (petroleum)
from Burma. The Admiralty enquired whether the Rangoon Refinery and other Companies winning oil in Burma were permitted by the terms of their leases to export crude oil, and, if so, whether such exportation had been carried on to any appreciable extent. After consulting the Government of Burma the Government of India reported that the rumour regarding the exportation of crude oil was unfounded, and that crude oil had not been exported in appreciable quantities. It was explained that the terms in oil winning leases were sufficient to prevent the exportation of crude oil and that the only further precautionary action

necessary was to insert in leases of land for storage tanks a condition to the effect that oil should not be exported in a crude state. The condition referred to is being inserted in new leases of land.

The Burma Ruby
Mines Company.

In consequence of the depression in the ruby market, the Secretary of State sanctioned in 1908 the postponement of the payment by the Ruby Mines Company of rents and percentage of profits due to Government in February and August 1908, on the condition that, until the arrears were paid, no dividend should be declared. Anticipating further applications from the Company in regard to future payments and for the revision of the terms of their lease, the Secretary of State asked for the opinion of the Government of India in regard to these matters. The Government of India agreed to the postponement, if applied for, of the payment of the amount due on 28th February 1909, on the condition previously imposed, but considered that it was unnecessary to revise the terms of the lease. The Company had in the meantime submitted a representation in which they requested (i) that the arrears of rent and percentage of profits up to and including the amount due on the 28th February 1909 might be remitted and (ii) that, until the ruby market recovered, the Company might be permitted to pay to Government the royalties actually received by them from native miners less a collecting commission of 10 per cent. After consulting the Government of Burma, the Government of India recommended to the Secretary of State that, in view of the benefits which have followed to the Ruby Mines District from the operations of the Company, the second request made by the Company should be tentatively granted for a period of two years from 1st March 1909, the full collections being paid into the Government Treasury as realised and the Company's commission being made over to them subsequently once a quarter. They did not press for the immediate realization of the arrears due to Government, but stipulated that they must be paid up in full before the Company declared dividends. As regards the existing condition in respect of the payment by the Company to Government of 30 per cent of profits no change was proposed. The Secretary of State agreed to these terms and communicated them to the Ruby Mines Company.

Alluvial prospect-
ing and mining in
Burma.

As the result of an application from the Government of Burma in 1905 that they might be authorized to grant dredging licenses for gold and other minerals in the rivers in Burma on certain specified terms, Mr. Maclaren, the mining specialist attached to the Geological Survey Department, was deputed to carry out a survey of the rivers. On receipt of his report the question of framing special rules was further considered, and it was decided to frame a rule prescribing the area over which prospecting licenses for alluvial land might be granted. The Government of Burma was authorised to grant prospecting licenses for gold dredging in accordance with the mining rules, with the modification as regards area prescribed in the new rule.

Rate of royalty
payable by the Assam
Oil Company.

On a representation made by the Assam Oil Company it was decided in January 1906 that the Company should continue to pay royalty on new areas at a rate lower than that prescribed in the Mining Rules. The reasons which led to this decision are that the Company have rendered valuable service in opening out the Lakhimpur District, and that the returns obtained on the very large outlay incurred by them have hitherto been disappointing.

Bengal Mica Min-
ing rules.

In view of the difficulty and inconvenience which the existing method of assessing the value of mica for the purpose of calculating royalty involved, it

was decided in 1907 to levy an increased dead rent (*viz.*, Rs. 1-8 instead of Re. 1 per acre) in substitution for royalty. Power has, however, been retained to introduce at any time a royalty at an *ad valorem* rate, should the increased dead rent prove insufficient.

In fixing the rate of royalty to be charged for mining chromite in Bengal at 6 annas per ton as the equivalent of the $2\frac{1}{2}$ per cent rate the Government of India informed the Local Government that in view of certain enquiries made by the Admiralty in regard to the sources of supply of Indian chromite it might be found desirable to protect chrome supplies should there be any sign of rapid depletion, and suggested that a clause should be inserted in licenses and leases reserving to Government the power of raising the rate with a rise in the current market rates.

In March 1906 proposals were submitted to the Secretary of State for the reorganization of the Geological Survey Department. The Government of India were satisfied that the rates of pay sanctioned were insufficient to attract the class of officers which it was desired to secure, and not liberal enough to retain officers after they had acquired sufficient experience to qualify them as mining and geological experts. It was also clear that the Department could not at its existing strength undertake the scientific work for which it was primarily constituted, and at the same time devote that attention, which the interests of India demanded, to purely economic enquiries. Sanction was therefore requested to (1) the substitution of two new appointments in the graded list for the two short term appointments of mining specialists then existing; (2) the creation of three additional appointments in the cadre; (3) the amalgamation of the grades of Deputy Superintendents and Assistant Superintendents; (4) increased rates of pay for all grades, and (5) the appointment of a trained chemist. With the exception of the recommendation to increase the pay of the appointment of the Director, Geological Survey of India, the Secretary of State approved of all the proposals. In view, however, of the exceptional value of the services rendered by Mr. (now Sir) T. H. Holland, F. R. S., who held the post of Director, the Secretary of State sanctioned the grant to him of a personal allowance of Rs. 500 a month in addition to his pay of Rs. 2,000.

CHAPTER VIII.

EMIGRATION.

I.—Free emigration.

(a) *Free emigration to self-governing Colonies.*

Voluntary emigration to self-governing Colonies.

The legislation of some of the self-governing British Colonies has on several occasions attracted the attention of the Government of India as being prejudicial to British Indian emigrants. The protests which have been made have not always been productive of much visible effect ; but the Government of India have deemed it advisable to make their position plain, so as to give no excuse for the assumption that silence implied a tacit approval of the measures passed, and instances will be found below in which the Government of India have intervened in behalf of British Indians.

Australia.
Result of a protest
against the Western
Australia Factories
Act, 1904.

In August 1905 a petition received from the Indian residents in Western Australia was forwarded to the Secretary of State with a strong protest against the provisions of the Western Australia Factories Act of 1904, which imposed grave disabilities on natives of India, as well as all other Asiatics. In December 1905 the Government of India were informed that the Colonial Government had expressed their willingness to amend the provisions of the law which imposed disabilities on Asiatics as such. At the same time an assurance was received that the Secretary of State for India would be consulted before any Acts of Colonial Legislatures containing provisions, to which exception might be taken by the Government of India, were submitted for the Royal assent.

Result of a protest
made against the
Western Australia
Early Closing Am-
endment Act, 1904.

A protest was made by the Government of India against sections 6 and 7 of the Western Australia Early Closing Amendment Act, 1904, which imposed a serious disability on British Indians in prohibiting the registration or employment of Asiatics as keepers of or assistants in small shops in the Colony. In July 1906, information was received to the effect that the Secretary of State for the Colonies had brought the objections of the Government of India to the notice of the Colonial Government, with a request for the repeal of the sections or the substitution of provisions based on grounds other than those of race or colour, if any restrictions were considered necessary.

Protest against the
Australian Immigra-
tion Restriction Act
Amendment Act
(No. 17 of 1905).

In 1905 the Commonwealth Parliament passed an Act to amend the Australian Immigration Restriction Act of 1901. A copy of the original Act was not received by the Government of India until some months after it had been passed ; and it was not considered necessary to offer any objection at that time. But the Act having come under amendment, the opportunity was taken not only to criticise defects in the Amending Act, but also to explain the views of the Government of India on certain provisions of the former Act.

The Colonial Office, however, considered the protest entered by the Government of India inadmissible on the ground that, as neither the Act of 1901 nor the Amending Act of 1905 contained any provisions discriminating against Asiatics *nominalim*, they were not contrary to the policy hitherto followed by His Majesty's Government in regard to Colonial legislation directed against coloured races. The Secretary of State for India decided, therefore, not to press the

objections to the Act, and in the circumstances the Government of India did not feel that they could move further in the matter. The more important provisions of the Amending Act were published with a view to warning intending emigrants of the difficulties they might encounter in proceeding to the Australian Colonies; and the special attention of the public was drawn to the most material of the changes effected by it, namely, the substitution of "any prescribed language" for "an European language" in the case of the dictation test to which immigrants are subjected before admission into the Commonwealth.

The Government of India rejected a proposal put forward by an ex-Indian Army officer for the establishment of a Colony of Indian ex-soldiers in the north of Australia. The grounds of rejection were that the scheme would almost certainly be opposed by the Government of the Commonwealth; that it would remove from India a class of men whom it was most desirable from the military point of view to keep in the country; and that there would also be the risk that difficulties might arise as a result of the contact between the Indian settlers and their white neighbours.

Rejection of a proposal to establish a Colony of Indian ex-soldiers in the north of Australia.

In connection with a proposal for the attachment of Australian officers to the Indian Army, Lord Crewe raised the question whether the opportunity might not be taken by the Government of India to enter into an arrangement with the Government of the Commonwealth by which each Government would agree to adopt measures to prevent the departure from its ports of persons whose entry into the territories of the other would not be permitted. The idea underlying the suggestion was that if an arrangement such as that referred to could be arrived at, it would have the effect of allaying the resentment felt by British Indians regarding their treatment in Australia by affording them the satisfaction of feeling that the Indian subjects of the Crown were entitled to no better and no worse treatment than their Australian fellow subjects. The Government of India pointed out that the absence of any clamour or popular feeling showed that India was not very seriously affected by the immigration policy of the Government of the Commonwealth, and that it would therefore be impolitic to reopen the question of the position of Indians in Australia. The suggestion was moreover inconsistent with the logical and consistent policy which the Government of India had hitherto maintained of not interfering with voluntary emigration from India; and this was recognised by His Majesty's Government. Against the abandonment of this policy no real advantage would be secured in favour of the British Indian subjects, while the invidious task of enforcing the necessary check at the port of departure would devolve on the Indian Government. On the other hand the immigration of Australians into India would be subject to restrictions which, it was admitted, must necessarily be nominal rather than real. The one-sidedness of the arrangement would not escape detection, and the legislation which would have to be undertaken to give practical effect to Lord Crewe's suggestion would be bitterly opposed by Indian public opinion as embodying the principle on which is based the anti-Asiatic legislation of certain Colonial administrations. For these reasons, the Government of India, while fully appreciating the spirit in which Lord Crewe's proposal was conceived, declined to accept the solution suggested by His Lordship.

Proposal that India should enter into an arrangement with Australia by which both Governments would agree to impose certain restrictions on emigration from and to the two countries.

In December 1906 the Government of India received from the Secretary of State a copy of an Act passed by the Parliament of Cape Colony to repeal

Cape Colony Immigration Act, 1906.

the Immigration Act of 1902. The most important change effected by the Act was that, whereas under the Act of 1902 Asiatics domiciled in South Africa were not included in the category of "prohibited immigrants," the new law exempted those persons only who were born in that country. Asiatics lawfully resident in the Colony were permitted, however, to be temporarily absent under permits issued under Regulations approved by the Governor. The Secretary of State while regretting the modification made in the law, acquiesced in the Bill, and trusted that it would be administered in a liberal and equitable manner. The Government of India were therefore unable to move in the matter. A Resolution was issued publishing the more important provisions of the Bill, and requesting all Local Governments and Administrations to warn intending emigrants at the ports of embarkation of the difficulties they might encounter in proceeding to the Colony. An assurance was subsequently received from the Cape Government that the Act would be administered in an equitable manner.

Position of Indians
in the Transvaal.

In September 1906 the Government of India received from His Majesty's Secretary of State for India a copy of correspondence containing proposals, which were accepted by the Secretary of State for the Colonies, for the introduction of legislative measures to remove the uncertainty in regard to the position of Asiatics resident in the Transvaal and to check illicit immigration. The papers showed that some of the substantial grievances from which Asiatics lawfully resident in the Colony suffered would be removed, and the Government of India therefore took no action in the matter. An Ordinance entitled "The Transvaal Asiatic Law Amendment Ordinance, 1906," was subsequently passed by the Transvaal Legislature. The Ordinance met with strong opposition from the majority of the British Indian community in the Transvaal, who urged that it imposed unnecessarily harassing and degrading restrictions on Indians who were lawfully resident in the Colony and to whom protection had been promised. The British Indian Association in the Transvaal deputed two delegates to lay their grievances before the Imperial Government. They represented to Lord Elgin that the Ordinance afforded no relief whatever to Asiatics, but on the contrary aggravated the existing disabilities from which they suffered. After careful consideration of both sides of the question, and in view of the near approach of the establishment of responsible Government in the Transvaal, Lord Elgin declined to advise His Majesty to sanction the Ordinance. He stated that his object in authorising legislation was to ameliorate the position of Asiatics lawfully resident in the Colony, and that in view of the strong opposition with which it had been received by the British Indian community in general, it must be regarded as at least doubtful whether the Ordinance, which was widely different from the draft approved by him, did achieve that object.

On the establishment of responsible Government in the Transvaal, an Act entitled the "Transvaal Asiatic Law Amendment Act" was passed in 1907 with the consent of the Imperial Government, which embodied all the essential points of the disallowed Ordinance. This Act and the Immigrants Restriction Act, also passed during the year, formed the subject of anxious consideration by the Government of India who lost no opportunity of placing before the Secretary of State the intensity of the feeling which was evinced amongst all classes in India on the subject of the disabilities imposed on British Indians in the Transvaal; and they urged the necessity of securing differentiation in favour

of Asiatics of the educated and well-to-do classes and some mitigation of the administration of the Asiatic Law Amendment Act. In the meantime, however, the Colonial Government had, at the instance of the Secretary of State for India, agreed to a relaxation of some of the more stringent provisions of the Restriction Act. An assurance was given that there was no intention of refusing access to ruling chiefs, Indians of distinguished position, or high officials of Asiatic descent; that legislation would be undertaken to limit the power vested by the Act in the Executive to expel persons deemed to be dangerous to the peace, order and government of the Colony, and that in the meantime the power would not be exercised. The more important provisions of the Act were published for general information by the Government of India. As regards the Transvaal Asiatic Law Amendment Act, before the representation made by the Government of India reached the Secretary of State, a settlement had been arrived at in the matter of the registration of British Indians who had a legitimate domicile in the Transvaal. The terms of the settlement provided that registration officials should not press for any information which offended the religious sense of applicants, and they recognised a distinction in favour of Indians who, by reason of their education or property or public character, were well-known, and who were therefore to be exempted from the provision of the Act as to the taking of finger impressions. Although the despatch, which the Government of India addressed to the Secretary of State on the subject, was written without reference to the settlement which had removed the immediate causes of friction, His Majesty's Government recognised the importance of supplying the Colonial Government with full information as to the feeling of the Government of India and the people of India on the question. A copy of the despatch was consequently forwarded to the Colonial Government, whose attention was drawn to the reference it contained as to the harassing nature of the requirements of section 9 of the Act, which provides that a certificate of registration must be produced on demand by any member of a police force or by any person authorised in that behalf.

The settlement, however, proved to be short-lived. When the steps to be taken to give effect to the compromise came to be considered, the Asiatic leaders claimed that the agreement was intended to involve the repeal of the Registration Act of 1907, and to permit of the acceptance of voluntary registration from Asiatics outside the Colony who were entitled to return, even in cases in which the period for such registration fixed by the terms of the agreement was exceeded. They further demanded that permits should be granted to refugees who were resident in the Transvaal for two years prior to the outbreak of the war and who applied for registration within a year, to persons holding registration certificates under the Dutch Law No. 3 of 1885 as well as to those holding Peace Preservation Ordinance permits. They also claimed that persons who could pass the education test should be permitted to enter the country, and they asked that an appeal should be allowed from the Registrar of Asiatics to the Supreme Court. On the other hand, the Government maintained that there never was any intention of repealing the Act; that the voluntary registration of Asiatics, whether within or without the Colony, must be carried out within the three months' limit; and it was announced that a Bill would be introduced validating the voluntary registration which had taken place. On the other points advanced by the Asiatics, the Government were prepared to comply with all their demands except in respect of the registration of holders

of permits under the Dutch Law No. 3 of 1885 and the entry of educated Indians. They consequently introduced an Asiatic Registration Amendment Act, validating the issue of voluntary registration certificates, and amending the Act in the following respects :—

- (1) Asiatics resident in the Transvaal for 3 years before the 11th October 1899 were allowed one year within which to register.
- (2) Minors under the age of 16 were exempted from separate registration.
- (3) An appeal from the Registrar was permitted to a specially appointed magistrate whose decision was subject to review by the Supreme Court.
- (4) Signatures in English were to be accepted from applicants for trading licenses.

As a result of the dispute between the Asiatic leaders and the Government, agitation both in South Africa and in India was revived. A number of Indians refusing to comply with the Act were sentenced to terms of imprisonment. Protest meetings were held at principal cities in India, and the intervention of the Government of India was again invoked on behalf of the British Indian community in the Transvaal. After a careful review of the demands of the Indians, the Government of India addressed the Secretary of State, pointing out that, in view of the political effect in India of the measures taken to enforce the law, it was desirable that some settlement of the questions in dispute should be arrived at without delay. They recognised that they were not in a position to make a representation against the refusal of the Transvaal Government to repeal Act 2 of 1907, but requested that considerate treatment should be accorded to those Indians who possessed pre-war rights but were not, prior to the outbreak of the war, continuously in the Transvaal for three years. As regards the admission of educated Indians, the Government of India asked whether it might not be possible to accede to the demand of the Indians that six professional men should be admitted each year.

The views of the Government of India were communicated by Lord Crewe to the Transvaal Government. His Lordship at the same time suggested that the Colonial Government might be prepared to undertake the repeal of the Registration Acts of 1907 and 1908, after the lapse of such period as would ensure that all Indians entitled to residence in the Colony had been registered under them, and to rely afterwards on the Immigration Law with such amendments as might be found necessary. The Transvaal Government replied that if the law operated harshly against Indians with pre-war rights, their case would be treated with every consideration. They pointed out that the Immigration Law authorised the Governor to issue temporary permits, and that, as these permits could be extended indefinitely to meet the case of professional men, there was no necessity to accord legal recognition to the proposal of the British Indians, which would be undesirable in the present state of feeling among the white population. They were also unable to promise the repeal of the Registration Acts at some future date, as such action would evoke serious agitation among the white community, while the British Indians would direct

their attention to obtain some amendment of the safeguards provided by the Immigration Law.

His Majesty's Government were, however, able subsequently to persuade the Colonial Government to agree to the repeal of the Asiatic Law Amendment Act, 1907, and to the amendment of Act 36 of 1908 with the object of authorising the admission of six Asiatics annually under certificates of permanent right of residence so that their continued residence in the Colony might not be dependent, as it would be in the case of temporary permits, on the good will of the Transvaal Government. These amendments have not yet been carried out in view of the formation of the Union Government. The extremists on the Indian side are not satisfied with this settlement, and the agitation is still being continued by them.

A fresh source of trouble has arisen in the arrangement alleged to have been made with the Portuguese Government by the Transvaal Government for the deportation through the Mozambique of Indians convicted under the Registration Law of the British Colony. The objection taken by Indians to this arrangement was that the punishment of political offenders should not be entrusted to foreign Governments. To this the reply of the Transvaal Government was that the Portuguese Government in deporting Indians placed over the border acted under their own immigration regulations which apply equally to white and coloured persons. A number of Indians who were found in the Transvaal without registration certificates have been deported to India in this way. The arrival of the deportees in India has excited much attention in the public press and numerous protests have been addressed to the Government of India against the action of the Colonial Government. It has been alleged that some of the men are domiciled in South Africa outside the Transvaal, and that their deportation to India is opposed to the statement made in Parliament that such persons would be returned to the country of their domicile. The Government of Bombay in reporting the arrival of a batch of deportees pointed out that the landing of a ship load of destitute persons was most objectionable, not only from the sanitary point of view, but also on account of the serious political effect such occurrence would produce. The Government of India informed the Secretary of State of the excitement created in this country by these deportations and asked that an inquiry might be made into the allegations made in connection with the deportees. They also urged that further deportations should be suspended pending the inquiry. The Secretary of State has made representations to the Colonial Office, and the result is awaited.

A Bill to amend and consolidate the laws relating to Municipal Corporations submitted by the Natal Government for the Royal assent, was received by the Government of India in December 1906. It contained several provisions which seemed to the Government of India to be objectionable; in particular, the definition of "uncivilised races," which included the descendants of Indians introduced as indentured labourers. A protest was addressed to the Secretary of State regarding this and certain other clauses which imposed special disabilities upon natives of India.

The Natal Government consented to amend the Bill, so as to remove the objections taken by the Government of India, but His Majesty's Government

Position of British Indians in Natal.

insisted that, in view of the treatment to which Indian traders were subjected by licensing officers, either the Indians should continue to retain the right to municipal franchise, which the Bill proposed to withdraw, and thus have the power to influence the conduct of Municipalities, or else that the Dealers Licenses Act should be so amended as to confer on applicants for licenses the right of appeal to the Supreme Court. The Natal Government decided to delete clause 22 (c) of the Municipal Bill relating to the franchise. In view of the refusal of the Government of Natal to carry out the suggested amendment in the Licenses Act; of the arbitrary manner in which the Act had recently been administered to the detriment of the interests of Indian traders in the Colony; and of the further restrictive measures contemplated by the Colonial legislature, the Government of India decided that powers should be taken to prohibit indentured emigration to Natal from this country. With the sanction of the Secretary of State a Bill has been passed to take the necessary powers. In agreeing to the introduction of the Bill the Secretary of State, however, asked that it should not be put in use pending the inauguration of the South African Union as the Natal Government, when faced with the prospect of stoppage of indentured emigration, had expressed its desire to introduce an amendment of the Dealers Licenses Act, allowing the right of appeal to the Supreme Court in respect of the withdrawal of licenses already held. The Government of India in their reply expressed their agreement with the Secretary of State that the right was more important in the case of existing licenses; but they were unable to see that this consideration would justify them in desisting from trying to secure the best terms they could for the Indians in the Colony. It was further pointed out that their demand as to the right of appeal from all decisions of the Licensing Board was no more than what they had all along been asking for under the threat of stopping emigration to the Colony; and as it appeared that Natal could not do without Indian labour the present seemed a favourable opportunity for continuing to press for the complete right of appeal. The Government of India hoped, therefore, that in the interests of Indians in Natal the offer of the Colonial Government would be refused as being inadequate. The Secretary of State, however, adhered to the view taken by him; and on the passing by the Natal Parliament of an Act allowing the right of appeal to the Supreme Court against refusals to renew licenses, he gave the Colonial Government the assurance that, subject to a year's limit, emigration to Natal would not be stopped until the South African Union had come into existence and decided on its policy in the matter. The action taken by the Government of India has met with general approval in India as was evidenced by the discussions which took place in the Imperial Legislative Council on a Resolution moved by the Hon'ble Mr. Gokhale for the discontinuance of emigration to South Africa.

Apart from the administration of the Dealers Licenses Act, the anti-Asiatic feeling in the Colony found expression in the following measures:—

- (1) A rule passed by the Education Department excluding pupils under the age of five and over the age of fourteen years from attendance at any Government school for Indians. The rule has been withdrawn as the result of a protest addressed by the Government of India.
- (2) The introduction of three Bills, of which the first was intended to stop the further importation of indentured Indians after the

30th June 1911, the second to stop the issue of new licenses to Indians after the 31st December 1908, and the third to effect the total abolition of Indian licenses in 1918 on payment of compensation on a most exiguous scale. The second and the third Bills have, however, been rejected by His Majesty's Government as being open to most serious objections; while the first was withdrawn by the Government of Natal itself—apparently as likely to prove injurious to the Colony—pending the report of a Commission appointed to consider the advisability of enacting the measure. The finding of the Commission is that the abolition of Indian labour would be attended by the extinction or decline of several of the industries of the Colony to the irreparable injury of individual and general interests.

In 1906 the Canadian Government drew the attention of the Secretary of State to the large number of Indians who had entered British Columbia and suggested that as there was no prospect of their obtaining employment in the country, information to this effect should be widely circulated to deter further emigration. The Government of India issued a Resolution warning intending emigrants of the risks they ran in proceeding to Canada. ^{Emigration to Canada.}

In spite of the warnings issued, the emigration of British Indians to the Dominion continued, and in 1908 the Canadian Government proposed:—

- (1) that the Government of India should forbid the emigration of Indians to Canada without passports, which should be limited to a number to be agreed upon by the two Governments concerned; and
- (2) that an examining office should be established in India for the purpose of prohibiting the emigration of those who were physically unfit, or not properly equipped and financed.

The Government of India were unable to accept these suggestions, which were opposed to their accepted policy of non-interference with free emigration. Steps were, however, taken again to warn intending emigrants that their landing in Canada was likely to arouse strong popular feeling. While these suggestions were under the consideration of the Government of India, an Order in Council was passed by the Colonial Government prohibiting the admission of immigrants into the Colony, unless they came direct from the country of their birth or citizenship by continuous journey and on through tickets purchased before starting. Wide publicity was given to this Order in India.

In order further to arrive at a satisfactory settlement of the matter the Dominion Government deputed one of its officers, Mr. W. L. M. King, to confer with the Imperial Government on the subject. As a result of the conference, it was suggested to the Government of India that they should make regulations for the shipping companies at Indian ports requiring permits for emigrants to Canada and limiting their numbers. In reply, the Government of India pointed out that the suggestion was open to the same objection as the passport system above referred to; and added that, in their opinion, the only practical way of dealing with the difficulty was that the Colonial Government itself should take the measures necessary to restrict immigration into Canada. Mr. King then

proposed that it might be impressed on the shipping companies that under the law emigration to Canada under agreement was illegal, and that they should be asked to exercise care to see that emigrants did not leave Indian ports in violation of this provision. As there was no objection to this proposal, the Government of India asked the Maritime Governments to take the necessary action.

A second Order in Council was passed by the Dominion Government in June 1908, prohibiting the entry into Canada of Asiatics other than those possessing treaty rights, who have not, on arrival in Canada, at least 200 dollars in their possession. The purport of this Order was published in India for general information. A Bill has since been passed by the Canadian legislature which would have the effect of exempting students and tourists from the operation of the two Orders in Council.

The measures taken to prevent the immigration of Indians into Canada, formed the subject of discussion with Mr. King, who visited India on his way to Shanghai as the Canadian representative on the Joint Opium Commission. The discussion resulted in the view that there was practical certainty that these measures would be effective.

A proposal was made in September 1908 to transfer a number of Indians from British Columbia to British Honduras, and a delegation of Indians with a representative of the Dominion Government visited British Honduras to ascertain clearly the prospects of employment in the latter Colony. The proposal was, however, dropped. In this connection Colonel Swayne, Governor of British Honduras, who visited British Columbia, reported that there was no justification for the view that large numbers of Indians there were unemployed and in distress. On the contrary, he found that their position in the Colony left little to be desired, and he was so sanguine of their future prosperity that he anticipated a further influx into British Columbia of Indians, attracted by the prospects of employment in the Colony. The Dominion Government consequently repeated the proposal made by them in 1907 that the Government of India should take steps to restrict the departure of Indians, in view of the possibility of danger arising which might have results prejudicial to British interests in India. To this proposal the Government of India replied that, after a review of all the circumstances of the case, they were unable to depart from the policy which they had adopted of abstaining from interfering with free emigration.

(b) *Free emigration to Crown Colonies.*

Voluntary emigration to Crown Colonies and Protectorates.

The emigration of British Indians to Crown Colonies has also on a number of occasions been the subject of consideration by the Government of India.

Grievances of British Indians in Zanzibar.

In 1910 the British Indian community in Zanzibar addressed a memorial to the Secretary of State in which they set forth a number of grievances which had arisen from certain laws and regulations passed during recent years. The Government of India in forwarding the memorial to the Secretary of State stated that some of the complaints appeared to call for an enquiry, and asked that they might be afforded an opportunity of expressing their opinion upon the results of any enquiry which might be made.

In Southern Rhodesia, an Ordinance, following the lines of the legislation adopted in the Transvaal in respect of Asiatic immigration, was passed by the local legislature and submitted to His Majesty's Government. Its main provision was designed to exclude, without regard to educational qualifications, all Asiatics who had not acquired a domicile or received the specific permission of the Governor to reside in the Colony. The Ordinance was, however, disallowed by His Majesty's Government. Southern Rhodesia.

Intimation was received in September 1908 that His Majesty's Government had sanctioned the appointment of a representative of the British Indian community to the Legislative Council of the East African Protectorate. British East Africa.

(c) *Free emigration to Foreign countries.*

With a view to discourage emigration to New Caledonia and California, the Government of India, on being informed by His Majesty's Secretary of State for India that there was no prospect of employment for Indian labourers in these countries, issued Resolutions warning intending emigrants of the risks they ran in proceeding to these places. Discouragement of emigration to New Caledonia and California.

In view of the occurrence of *anti-Asiatic* riots in certain parts of the United States of America, the Government of India issued, at the instance of the Secretary of State, a Resolution warning intending emigrants that the industrial conditions in that country were unfavourable to British Indians. United States of America.

In bringing to notice certain cases of repatriation of destitute Indians, His Majesty's Consul-General at Port Said suggested that no passports should be issued by the Indian Government to natives of India of the poorer classes, except on payment of a deposit of £10. As the possession of passports by Indians departing from India is not compulsory, this suggestion could not be accepted, but the Government of Bombay were requested to issue a notification stating that there was no prospect of employment for Indians in Egypt, and that in the event of their destitution, there was no likelihood of their being afforded relief. Egypt.

In December 1906 the Secretary of State forwarded a copy of correspondence with Colonel Sir Thomas Holdich, K.C.M.G., Chairman of the Directors of the Land Company of Chiapas, Mexico, regarding a proposal for the importation of natives of India as colonists into the State of Chiapas. The Government of India were of opinion that, in the circumstances stated, there was no legal objection to the proposal, and an assurance was given that no obstacles would be placed in the way of the Land Company of Chiapas recruiting voluntary settlers through its own agents, but that they were unable to agree to a proposal made by Sir Thomas Holdich that, as an inducement to emigration, a notification should be issued in India to the effect that suitable employment and good wages were open to such colonists as chose to accept them. Proposed importation of natives of India as colonists into the State of Chiapas, Mexico.

II.—Indentured emigration to British and Foreign Colonies.

The second of the main headings into which the subject of emigration may be divided relates to indentured emigration to British and Foreign Colonies, which is regulated by the Indian Emigration Act (XVII of 1908). The Act provides for the recruitment of labourers in India, while their proper treatment in the Colonies is safeguarded by laws passed by the Colonial Governments with the approval of the Government of India.

Appointment of an Inter-Departmental Committee in London to consider the question of emigration to tropical British Colonies.

In September 1908 the Government of India were asked by the Secretary of State for an expression of their views on a proposal, put forward by the Colonial Office, that an Inter-Departmental Committee should be appointed in London to consider the system of Indian emigration to tropical British Colonies. The Government of India were also asked to nominate for the approval of the Secretary of State an officer to represent them on the Committee.

In reply the Government of India restated their policy in respect of Colonial emigration and pointed out that in the interval of thirty years which had elapsed since their policy of neutrality had been formulated by Lord Lytton's Government two new and important factors had arisen, both of which tended more to the restriction than to the encouragement of emigration. One of these had reference to the difficulties experienced in connection with the treatment of Indian immigrants in the self-governing Colonies. Any one of the more important Crown Colonies might in due course be accorded the privilege of self-government ; and it was impossible for the Imperial Government to guarantee that a change in the status of a Crown Colony would not involve an alteration in the status of its Indian settlers. The second factor was the vast increase in the demand for labour in India, due to the development of industries, which made it desirable to retain labour in the country as much as possible. For these reasons, the Government of India did not see any likelihood of their being able to agree to any material change in the conditions or regulations, under which indentured emigration is at present carried on. It was admitted, however, that a discussion of the many difficult problems which attend the emigration of Indian subjects to the Crown Colonies might contribute to the solution of some at any rate of them, and might enable some definite line of action to be formulated for adoption in future. On the understanding, therefore, that they reserved to themselves the right to discuss in detail any conclusions at which the Committee might arrive, the Government of India agreed to the proposal for the appointment of the inter-Departmental Committee. Mr. S. H. Fremantle, I C.S., of the United Provinces, was, with the approval of the Secretary of State, deputed to England as their representative. The report of the Committee has recently been received but has not yet been considered.

Proposal for the resumption of emigration to Réunion.

At the instance of the French Chargé d'Affaires in London, the question of the renewal of emigration to the Colony of Réunion which has been suspended since 1882, was again taken into consideration by the Government of India. The French Government were, however, unwilling to give a guarantee of financial aid to the planters in the colony, which was one among a number of conditions insisted upon by the Government of India as essential to a renewal of emigration to Réunion. All that they were prepared to undertake was to see that the regulations governing the relations of coolies with their employers were strictly observed. Both the Secretary of State and the Government of India were unable to accept this undertaking as affording the necessary safeguard against abuses.

Subsequently the Government of India were informed that the appointment of Protector of Immigrants at Réunion had been abolished and the Immigration Service had been transferred to the *Service de l'enregistrement*. The adoption of this course has led to the issue of a warning by the Secretary of State that it would be impossible for him to consent to the re-opening of emigration to Réunion unless the French Government were prepared to arrange for the efficient organization of the Immigration Department of the Colony,

The question of the repatriation of Indian labourers from Martinique and Guadeloupe also formed a subject of negotiation with the French Government. The reply of the French Government and the reports received from the Consular Officers have not removed the doubts and uncertainties which existed as to the number of Indians entitled to repatriation and the number who are willing to avail themselves of this right. The Government of India have insisted that the matter should be placed beyond doubt, and have suggested that a joint enquiry should be made by the French Government and some British Officials. They have also asked that the French Government should indicate in detail the measures which it is proposed to take to ensure the regular despatch of convoys of return immigrants. They have also stated that they could not regard the matter as satisfactorily settled without some guarantee from the French Government that special financial assistance would be given by them towards the early repatriation of the Indian immigrants from the two Colonies, which is beyond their budget resources.

Repatriation of Indian labourers from the French West Indies.

In November 1906 the Secretary of State forwarded a note from the Dutch Chargé d'Affaires in London communicating two proposals made by the Netherlands Government affecting Indian immigrants in Surinam, namely, (1) that the period of residence entitling Indian immigrants to a free return passage to India should be extended from 5 to 10 years; and (2) that the restriction prohibiting Indian immigrants from working in the gold mines and in the Balata forests should be relaxed, so as to allow of the grant of concessions for gold mining and other industries to well-to-do time-expired immigrants. The Government of India were unable to accept the first of these proposals which had been pressed before on several occasions. They were willing to accept the second proposal and His Majesty's Government accepted the views of the Government of India, with the modification that immigrants who are still in the status of labourers should also be permitted to work in the gold bush on certain specified conditions. His Majesty's Government declined to accede to a further request of the Netherlands Government that the coolies should be required to contribute towards their return passage.

Questions connected with Indian immigrants in Surinam.

The Government of India were consulted by the Secretary of State regarding a draft Bill which had for its object the withdrawal of a privilege under which Indian immigrants in Jamaica, who have completed ten years' residence in the Colony, were entitled to commute their right to a return passage for a grant of land. As the grant of land free of charge in lieu of return passage was at best only a concession, the continuance of which was dependent on the will of the granter, the Government of India did not consider that they could reasonably offer any opposition to its withdrawal.

Withdrawal of the privilege enjoyed by Indian immigrants in Jamaica of commuting their right to a return passage for a grant of land.

Certain modifications have, with the consent of the Government of India, been introduced in the Fiji Immigration Ordinance. The age for adult immigrants has been raised from 12 to 15. A provision has been enacted, laying down that the right of a labourer to make money payment in commutation for a term of service in certain cases shall in future only be exercised at the option of the employer. The Government of India declined to accept a proposal to enhance the rate of commutation from 3*d.* to 4*d.* per day.

Fiji.

In December 1906 the Government of India signified their approval to a measure passed by the Natal Legislature with the object of legalizing polygamous marriages contracted by Indian immigrants before arrival in Natal, and

Natal Bill to make certain provisions relative to the marriages of Indian immigrants.

of enforcing under severe penalties the registration of marriages contracted in the Colony, so as to prevent parents from trafficking with their daughters by giving them in marriage more than once to different individuals. When the Bill had been first received, the Government of India represented that, in the absence of precise information, the penalties prescribed were out of all proportion to the magnitude of the offences involved. On receipt of the Act, with connected papers, they did not press their objection, and accepted the Colonial Government's estimate of the requirements of the case.

Employment of
time-expired coolies
on railway work in
Portuguese Angola.

In February 1907 the Secretary of State communicated a request from Messrs. Griffiths and Company, London, Contractors for a Railway from Lobito Bay through Portuguese Angola towards Central Africa, that permission might be given by the Government of India to the embarkation of a large number of Indians from Durban for work on the railway. In the absence of any information as to the conditions of employment, sanction was refused in accordance with the settled policy of Government respecting emigration to foreign countries. The request was, however, renewed on the grounds that the people in question were time-expired emigrants, that they were going free of indenture, and that they would be entitled to repatriation at the end of two years. It was also urged that the Natal Government had undertaken to watch the interests of the coolies. In view of these assurances the Government of India withdrew their veto.

Subsequent correspondence received from the Secretary of State showed that previous to embarkation the coolies were placed under contracts which were open to very serious objections. The Government of India consequently addressed a strong protest to the Secretary of State in the matter. They requested that certain modifications should be made in the agreements and that, should the contractors decline to accept the terms proposed by the Government of India or neglect to carry them out, the Colonial Government should be reminded of the promise given by them, when the proposal was originally made, to safeguard the interests of the coolies, and that they should be asked to amend their Immigration Restriction Act, so as to permit of the readmission of the labourers into Natal. The Natal Government replied that they had no power to vary the contracts, but that steps would be taken to arrange with the contractors for the repatriation of the families of the coolies who were introduced into Natal under the provisions of Act 17 of 1895, and to remove the other objections that had been made.

In July 1908 reports were received from the Bengal Government on the miserable condition of the labourers repatriated from Lobito Bay, and it was considered that the Secretary of State should be asked to bring to the notice of the Government of Natal the facts reported in the Local Government's letters. In the meantime, the India Office forwarded correspondence which contained satisfactory explanations from the contractors in regard to the treatment of the labourers, as well as correspondence from the Natal Government regarding the allegation that the coolies were returned to India against their will. In view of these explanations and of the fact that the coolies, except deserters, had either returned to India or to Natal, no further action was considered necessary.

The question of the emigration of Indians to East Africa came under consideration in connection with a proposal from the Government of Bombay, who, in bringing to notice certain cases in which Indians had been recruited for service on the Uganda Railway in contravention of the Emigration Act, suggested that, in view of the large number of persons proceeding to the Colony, most of whom were probably under an implied agreement for service, it was desirable to free emigration to East Africa from all restrictions in the same way as emigration to Ceylon and the Straits Settlements had been exempted from the operation of the Emigration Act. This suggestion the Government of India were unable to accept. They did not consider that emigration to East Africa could be regarded as being on the same footing as that to Ceylon and the Straits. They, however, brought to the notice of the Secretary of State the irregularities noticed by the Government of Bombay in respect of recruitment for service on the Uganda Railway. As a result of their representation, the Administration of the Protectorate issued instructions to the departments concerned to be careful to avoid a repetition of such irregularities; and the Secretary of State referred to the inter-Departmental Committee the suggestion made by the Government of Bombay regarding the general question of emigration to East Africa. A detailed statement of the views of the Government of India on the latter point was forwarded to the Secretary of State for communication to the Committee.

Proposal to free emigration to British East Africa from the provisions of the Indian Emigration Act.

In January 1910 the Government of the Straits Settlements proposed the withdrawal of the prohibition which forbids recruitment of labourers for the Straits Settlements outside the limits of the Madras Presidency. The Government of India were unable to accept the proposal on the ground that the reasons put forward by the Colonial Government, namely, that improvements have been introduced into the Immigration Enactments and that other changes have in recent years been made in the direction of safeguarding the interests of Indian coolies in these Colonies, were not sufficient to outweigh the geographical and climatic considerations which had influenced the Government of India in not approving of similar proposals in the past.

Emigration to the Straits Settlements and to the Federated Malay States.

In March 1907 the question of the supervision of Indian emigrants in Johore came under consideration in view of a statement by the Superintendent of Straits Settlements Emigration, Negapatam, which was communicated to the Government of India by the Government of Madras, that the Indian Immigration Department of the Colony had no control over estates in Johore, and could not be held responsible for the treatment of Indian coolies in the State. Subsequently it was ascertained that the Johore Immigration Enactment, 1885, had been revised and that two important changes in sections 4 and 65 of the enactment had been introduced, which were in the direction of diminishing the control hitherto allowed to the Governments of the Straits Settlements and of Madras over Indian immigration into Johore.

Emigration Johore.

The Government of India accordingly addressed representations to the Colonial Government, who, while expressing regret at their omission to consult the Government of India prior to the introduction of the new Enactment, stated that they had received an assurance from the Sultan of Johore that no person would be selected for the appointment of Superintendent of Immigration who was not acceptable to the Governor of the Straits Settlements. They added that they were confident that every facility would be afforded

by the Sultan, should it be found necessary at any time to depute an officer in the service of the Indian or of the Colonial Government to enquire into the condition of Indian labourers in the State. The Government of India accepted these assurances.

Opening of emigration to the States of Kedah, Perlis and Kelantan on the coasts of the Malay Peninsula.

A notification was issued in March 1910 exempting emigration to the States of Kedah, Perlis and Kelantan on the coasts of the Malay Peninsula from the operation of the Indian Emigration Act, XVII of 1908. The exemption was granted on conditions such as had been attached to similar concessions made in favour of the Straits Settlements and the Federated Malay States and on the further understanding that every labourer, whether under written or verbal agreement, would have the right to terminate such agreement by giving one month's notice to his employer.

Prohibition of the employment of indentured Indian immigrants in the Federated Malay States.

The high rate of mortality amongst indentured Indians in the Federated Malay States engaged the attention of both the Government of India and His Majesty's Government. At the instance of the latter, the Federal Government issued orders forbidding the employment of indentured coolies on the labour estates after the 30th June 1910.

Amendment of the Indian Emigration Act, 1883.

Two amendments in the Indian Emigration Act, 1883, were introduced by Act XII of 1908 which became law in October 1908. The first of these amendments, which excludes from the operation of the Act Indian subjects of foreign European settlements in India, was enacted in deference to certain representations made to His Majesty's Government by the Portuguese Government in consequence of the action taken by the Protector of Emigrants, Bombay, in declining to permit the departure of a number of Goanese Indians bound for Lourenco Marques. The object of the second amendment was to remove the difficulty experienced in Bengal on account of a provision in Section 18(1) of the Act which did not permit a Local Government to appoint more than one person to be Medical Inspector for the examination of emigrants.

An Act (XVII of 1908) was passed in December 1908, consolidating the various amending Acts passed since 1883.

Section 5 of the consolidating Act was amended in July 1910, so as to confer on the Governor-General in Council the power to discontinue emigration to any country at his discretion. The power was taken with the object of enabling the Government of India to prohibit emigration to any Colony where, as in Natal, satisfactory treatment was not accorded to the free Indian immigrants.

(iii).—*Inland emigration.*

Messrs. Foley and Fremantle's reports on the supply of labour in Bengal and in the United Provinces.

In response to a recommendation made at the Conference of Indian and Ceylon Chambers of Commerce, an enquiry was instituted into the causes of the alleged serious deficiency in the supply of labour available for employment in connection with organised industries in India. The reports of Messrs. Foley and Fremantle, the two officers appointed to hold the enquiry, confirmed the view taken by the Government of India at the time of the institution of the enquiry that there was no very serious deficiency of labour in the principal districts of Bengal and the United Provinces. They contain much useful information as to the tracts which are specially favourable for recruitment. As regards the recommendations contained in the reports as to the assistance which Government

might afford in the matter of the supply of labour, the Government of India were of opinion that the recruitment of labour must be left wholly to employers, and that the participation of Government officers should be confined to the collection of information regarding the most suitable localities for recruitment and to the communication of such information to the Chambers of Commerce for the use of the various industries. The Governments of Bengal and the United Provinces were accordingly instructed to issue the necessary orders to district officers to furnish the Chambers of Commerce with half-yearly statements as to the prospects of recruitment in their districts and with special reports in case of impending famine or scarcity, reviewing the conditions in the recruiting areas.

At the instance of the Secretary of State, the Government of India asked the Government of Eastern Bengal and Assam for their views as to the propriety and legality of a Circular issued by the Assam Administration in 1903, which prescribed the procedure to be followed by magistrates in dealing with complaints from labourers under section 155 of the Assam Labour and Emigration Act, 1901, and complaints regarding illegal detention of labourers on a tea garden. It had been pointed out by Mr Donelan M. P., that the Circular was objectionable in principle, in that it required the magistrate to refer the complaint of the coolie to the garden manager who is usually the principal person against whom the complaint is directed. In reply the Local Government explained that the Circular had been issued in the interests of the coolie, the main object being to ensure that complaints made by him were not overlooked. It was added that the Circular had been conspicuously successful in removing friction between the employer and the coolie, and that it had been eminently beneficial to the latter. In view, however, of the legal objection that might be taken to it, the Local Government withdrew the Circular and introduced an amended procedure. The revised instructions, which were approved by the Government of India, are addressed to Inspectors of Labourers instead of to magistrates, and are calculated to secure the desired object without being open to objection on the score of illegality.

Amendment of the procedure prescribed by the Assam Administration in 1903 for dealing with applications from labourers under section 155 of Act VI of 1901.

In February 1906 it was found necessary to appoint a Committee to enquire into the system of recruitment of labour for the tea gardens of Assam. The Chief Commissioner had proposed that Act VI of 1901, except sections 122 and 123, should be withdrawn at once from the Surma Valley and the Districts of Goalpara and Kamrup, and that it should be retained tentatively in the Brahmaputra Valley, the power of summary arrest then exercised by planters being abolished. He was averse to the appointment of a Committee, and desired to keep the proposals regarding the Surma Valley entirely separate from those connected with the Assam Valley. The Government of India, while accepting his conclusions as to the Surma and Lower Assam Valleys, were unable to agree on the point of procedure. They considered that it was of the first importance to secure the cordial co-operation and support of the Indian Tea Association and the interests which it represents, if any material improvement in existing conditions was to be achieved. Both that body and its Assam Valley Branch were desirous that the matter should be treated as a whole, and that the whole question of the labour supply throughout the province should be referred to a representative commission for enquiry and report. They apprehended that if the case of the Surma Valley were dealt with separately, the

Alteration of the system of recruitment of labourers for Assam.

difficulties experienced in obtaining labourers for Upper Assam would be further accentuated. In deference to these opinions it was decided that a Committee should be appointed to investigate the general working of Act VI of 1901 in connection with emigration to the labour districts in the Upper Assam Valley, and to report whether the withdrawal of the Act from the Surma Valley Districts would prejudicially affect recruitment in the Upper Assam Valley Districts. The Committee were not precluded from considering any matter which they might deem pertinent to their enquiry, but, at the suggestion of Sir Bampfylde Fuller, it was distinctly laid down that the question of the desirability of withdrawing the Act from the Surma Valley and the districts of Goalpara and Kamrup did not fall within the scope of their investigations, the proposals of the Chief Commissioner on this point having been supported by a majority of the planters in the Surma Valley and already approved by the Government of India. The Committee, as constituted, included representatives of the Governments of Bengal and Eastern Bengal and Assam, and of the tea industry in the Surma and Assam Valleys.

The Committee submitted its report in August 1906 ; and the Government of India, after consulting the Local Governments concerned, the Indian Tea Association, and the Secretary of State, published a Resolution in February 1908, which embodied their orders on the specific points raised in the report and explained their attitude towards the whole question. In accordance with the Committee's recommendation, they decided that the Act of 1901 should remain in force in the Assam Valley for a period of two years, after which the question of its continuance on present lines would be taken into consideration. In the meantime the operation of the Act was modified in two important particulars : the right of private arrest hitherto vested in employers was withdrawn, and the taking of contracts in the labour districts was abolished, the object in view being gradually to introduce greater freedom in the management of labour on the gardens. The Government of India, while agreeing with the conclusion of the Committee that the minimum wage prescribed by the present Act was no longer an inducement to emigration, decided in view of the generally favourable opinion expressed by the Committee as to the material condition of labourers on the gardens, to leave the question of raising the wage to the industry concerned.

As regards recruitment, the Government of India accepted the opinion of the Committee that the contractor could not be altogether dispensed with, but that he should invariably be licensed. They also agreed to the modifications in the conditions for licensing contractors and their recruiters which were suggested by the Committee, and asked Local Governments to have these modifications introduced. The system of recruitment specially recommended by the Committee is that conducted by garden sardars. With a view to assisting this form of recruitment, the Government of the United Provinces and of Bengal respectively closed to contractors' recruitment the whole of the United Provinces and the Patna and Bhagalpur Divisions. The Government of India also accepted the recommendation of the Committee that special facilities for recruitment should be granted to sardars who are assigned to the local agents of approved associations and who work under their guidance and control. If a contract was not demanded, all that would be required of the local agent would be that he should keep certain returns and supply the magistrate with any

information he might call for, and should also produce the emigrants for examination when ordered.

It was decided to retain the recruitment provisions of the Act in regard to the Surma Valley district and the districts of Kamrup and Goalpara, and an Act was passed in 1908 to amend the law. Section 2 of the Act of 1908 re-enacted section 91 of the old Act, so as to enable Local Governments by notification to dispense with or relax any of the provisions of Chapters III and IV of the Act, subject to any conditions that may be prescribed in the notification. The section was made elastic in order that the new procedure might be applied hereafter, if considered expedient, to other labour districts besides those above referred to. The Act also amended section 218 of the Act, so as to provincialize the Inland Labour Transport Fund. The amendment admits of the deficits of one province being met from the surplus in another province, and as the expenditure of the receipts is restricted to the purposes specified in the Act, it will secure the application of the surplus accruing towards the reduction of the annual or the registration fees.

On the passing of the new Act, the Government of Eastern Bengal and Assam issued, with the approval of the Government of India, a Notification exempting the Surma Valley districts and the districts of Kamrup and Goalpara from the operation of some of the provisions of the Act relating to labour districts. The Governments of Madras, Bengal and the United Provinces and the Central Provinces Administration simultaneously issued notifications, declaring that certain provisions of the Act regarding the recruitment of labourers should not apply to these districts.

In July 1907 the Government of India sanctioned a proposal of the Government of Bengal to prohibit free unlicensed recruitment under section 92 of the Assam Labour and Emigration Act (VI of 1901) in all the districts of Bengal. The measure had been strongly recommended by the Labour Enquiry Committee.

Abolition of free unlicensed recruitment in Bengal.

In February 1908 the Government of India sanctioned a proposal of the Government of Madras that the districts of Godavari, Kistna, Guntur and Nellore should be opened to sardari recruitment under Chapter IV of the Assam Labour and Emigration Act (Act VI of 1901), the Godavari Agency tracts, however, remaining closed as before. The proposal was supported by the Labour Enquiry Committee.

Opening of the Districts of Godavari, Kistna, Guntur and Nellore to Sardari recruitment.

On the advice of the Committee and at the request of the Government of India, the Government of Madras repealed Madras Act V of 1866 which was considered to be unnecessary in view of the fact that Act VI of 1901 fulfils the purpose of the Act in regulating recruitment for Assam.

Repeal of Madras Act V of 1866.

CHAPTER IX.

ECONOMIC PRODUCTS, PRACTICAL ARTS AND MUSEUMS, FISHERIES AND WEIGHTS AND MEASURES.

Economic Products.

Future organisation
of the Economic
Products Department.

On the retirement in April 1906 of Sir George Watt, Reporter on Economic Products to the Government of India, the question of the future constitution of the Economic Products Department came under consideration.

The Board of Scientific Advice, who were consulted by the Government of India, recommended the amalgamation of the Economic Products Department with the Botanical Survey and the maintenance of only a small gallery of exhibits of general educational or commercial importance in the Indian Museum. They were also of the opinion that economic botanical investigation should in future be conducted by the reorganised Botanical Survey and the allied Departments of the Government of India. As regards the work connected with the collection and classification of material for the revision of the Dictionary of the Economic Products of India and the supply of products to the Imperial Institute, which was hitherto performed by the Economic Products Department, the Board considered that each Department of the Government of India concerned should undertake its own share of such work. The proposals of the Board were accepted by the Government of India, but on account of the financial position they have not yet addressed the Secretary of State on the subject. The question is however, now under consideration whether the Reporter on Economic Products could not be transferred to the Botanical Survey without waiting for its reorganization.

Revision of the Dictionary of the Economic Products of India.

In 1906 the India Office informally raised the question whether the revision of the Dictionary of the Economic Products of India should be undertaken on the completion of the abridgment of the Dictionary then under preparation in England by Sir G. Watt. The Board of Scientific Advice were of opinion that a general revision of the work should not be undertaken for several years in view of the fact that scientific enquiry into agricultural and veterinary subjects had only recently been organised on an adequate scale. They reserved for consideration by a Sub Committee a proposal that a revised edition might at once be undertaken to include only those minor articles not dealt with in the abridgment. The Sub-Committee recommended that a revised edition relating to these minor products should be undertaken at once. The Government of India agreed with the Board that it was desirable to postpone the general revision, but they were doubtful whether it was desirable to break up the Dictionary in the manner proposed by the Sub-Committee. The Secretary of State was informed accordingly and was asked to obtain the views of the Royal Society on the subject.

The Royal Society were opposed to the revision of the articles on minor products in the Dictionary of Economic Products, but expressed the opinion that a general revision of the Dictionary was urgently required. The Government of India agreed with the Royal Society on the first point but adhered to their previous decision in favour of the postponement of the general revision. The Secretary of State accepted this opinion.

Practical Arts and Museums.

In February 1906 a despatch was received from the Secretary of State ^{Imperial Institute.} regarding the arrangements to be made for the future management of the Indian Section of the Imperial Institute. The Government of India accepted the suggestion of the Secretary of State that a Committee should be appointed to consider the question, and indicated the questions which the Committee should be asked to consider.

In August 1906 the Secretary of State forwarded the report of the Committee in which Sir J. Hewett represented the Government of India. The Committee were of opinion that, with the exception of the work done for India in the Scientific Department, the condition of the Indian Section was unsatisfactory, and among other recommendations for its improvement they suggested that the management of the section should be transferred to the Board of Trade, a third Manager, selected by the India Office, being added to the existing Managers of the Institute, and a lump sum of about £1,000 being paid to the Board for establishment charges. They further proposed that the existing grant to the Scientific and Technical Department of the Institute should, subject to certain conditions, be increased and that steps should be taken to develop the functions of the Indian Trade Inquiry office which had been established in London. The Government of India accepted the recommendations of the Committee regarding the Indian Section and the Scientific and Technical Department, and asked the Secretary of State to make the necessary arrangements with the Board of Trade to give effect to the recommendations. With reference to the Indian Trade Inquiry office they deputed Mr. H. S. Lawrence, I.C.S., Director of Agriculture, Bombay, to enquire into the needs of the office and to advise definitely as to the lines on which it should be reorganised.

The management of the Indian Section of the Imperial Institute was transferred from the 1st April 1908 for a period of five years to the Colonial Office, which now administers the Institute subject to the general control of the Board of Trade. It was arranged that a lump sum of £1,000 would be paid from Indian revenues to the Colonial Office to meet all charges other than those on account of the Scientific and Technical Department, half the pay of the third Manager of the Institute, and the City office. Colonel D. G. Pitcher, a retired officer of the Indian Army, was appointed third Manager of the Institute.

Mr. Lawrence, who was deputed to report on the requirements of the India Trade Inquiry Office in London, recommended that the Office should be further developed at an estimated cost of £2,000 per annum. The Secretary of State appointed Colonel Pitcher to undertake the supervising control of the City Office for a period of six months. The reports submitted by Colonel Pitcher showed that the City Office should receive further development, and he indicated the lines on which it should be reorganized. The Secretary of State, however, decided that the Office should be closed with effect from the 1st November 1908.

In June 1908 the Secretary of State forwarded a proposal made by the Director of the Institute for increasing the annual grant to the Scientific and Technical Department from £200 to £500, in accordance with a recommendation made by the Committee appointed to enquire into the working of the

Institute. The Government of India had agreed in 1907 to accept the Committee's recommendation, but on further consideration were of opinion that the grant should not be increased in view of the fact that special facilities for scientific investigations had since been created in India. The Secretary of State accepted this view and decided not to increase the grant. He stipulated, however, that the number of references to the Technical Department should be less frequent in future.

Reorganisation of
the Indian Museum.

In April 1905 the Trustees of the Indian Museum submitted a scheme for the reorganization of the Museum, which was elaborated by Lord Curzon. The main feature of the scheme was the proposed appointment of an Inspector-General of Museums who would also hold the position of Director of the Indian Museum. The Government of India were unable to accept the scheme as the majority of the local Governments and Administrations who were consulted, were opposed to the appointment of an Inspector-General of Museums, and they therefore requested the Trustees to submit revised proposals.

In February 1907 the Trustees submitted revised proposals for the reorganisation of the Indian Museum and the reconstitution of the Board of Trustees. They proposed to reorganise the various Sections of the Museum so as to divide them into natural groups according to the sciences represented. The officer in charge of each Section was to be given full powers to administer his Section, to develop its collection of exhibits, to conduct research work and to correspond direct with Government through the Department seized with the head of business with which his Section deals, the Zoological and Anthropological Section remaining as before under the Trustees. At the same time while giving the heads of each Section a wide measure of independence, it was proposed to reserve to the Trustees the power of inspection and to constitute them an Advisory Board to Government, and to require that the annual reports of the heads of Sections should be submitted to the Government of India through the Trustees. The proposed decentralisation was already in existence in regard to the Geological Section, and the Government of India considered that reorganisation on the lines suggested by the Trustees afforded the best chance of improving the administration of the Museum; they therefore accepted the scheme with the modification that the Art Section should be managed by the Trustees instead of by the Government of Bengal, as had been proposed, in order to prevent the Museum becoming in part Provincial.

With regard to the reconstitution of the Board, the Trustees suggested that their number should be reduced from 21 to 17, and that the officers in charge of the different Sections should be allowed a seat on the Board as *ex-officio* Trustees. In order to avoid the possibility of the combined votes of the official members outnumbering those of the unofficial members, it was proposed by the Trustees that the quorum should be raised from 3 to 6. Further safeguards were to be adopted in the bye-laws to be framed under the Indian Museum Act. The Government of India accepted the constitution proposed with a slight modification to allow the Government of Bengal adequate representation on the Board. It was stipulated, however, that the previous sanction of the Government of India should be obtained to the bye-laws which the Trustees might make under the Act.

An Act (X of 1910) has been passed in order to give effect to the above proposals. The Act was brought into operation from 1st June 1910 and a

new Board of Trustees has been constituted. The Trustees are now engaged in reorganizing the various sections.

The Trustees of the Indian Museum also submitted proposals for the reorganization of the superior staff of the Natural History Section. They represented that the Staff for Zoology was inadequate to enable the Section to undertake systematic research and to solve the Zoological problems that arise in India, and that it should be better paid. The Government of India recommended to the Secretary of State an increase in the pay of the Superintendent, the creation of four appointments of Assistant Superintendents and the abolition of the post of Deputy Superintendent. The Secretary of State sanctioned the increase of pay proposed for the Superintendent and the creation of three posts of Assistant Superintendents. He stipulated, however, that one of the new posts sanctioned should be held by an Indian if a qualified man could be found. On the recommendation of the Trustees Mr. B. L. Chaudhuri, who received a scientific training in Europe, has been appointed. The other two appointments have been filled by officers appointed in England by the Secretary of State.

Reorganization of the Superior Staff of the Natural History Section of the Indian Museum.

The extension of the Museum buildings in the site occupied by the Art and Asoka galleries and the renovation of the existing buildings has been sanctioned by the Government of India. Detailed plans are now being prepared. The total cost of the works is limited to 7½ lakhs.

Extension of the Museum buildings.

In connection with the proposal to create the appointment of an Inspector General of Museums in India, to which a reference has been made, the Governments of Madras and Bombay suggested as an alternative that annual conferences of Curators of Museums in India should be organised. An inaugural conference to which some of the Local Governments and Native States sent delegates, was accordingly held in December 1907. The Government of India recognized the useful nature of the work done by the conference and with the concurrence of Local Governments approved the proposal made by it that conferences of persons interested in Museums should in future be held triennially. A standing committee has been formed to make arrangements for future conferences and to advise on matters relating to Museums.

Conference of Curators of Museums.

In consequence of one of the Resolutions passed by the Conference of Curators of Museums the Government of India decided to discontinue the publication of industrial monographs. They accepted the opinion of the Conference that the subjects on which monographs could be prepared had now been practically exhausted.

Discontinuance of Industrial Monographs.

Fisheries.

In May 1905 Sir F. A. Nicholson was appointed for a period of two years to carry out an investigation into the fisheries of the Madras Presidency, and was permitted to visit Japan and America in connection with his enquiries. Sir F. Nicholson submitted a preliminary report on the West Coast fisheries in the early part of 1906, and in accordance with his recommendations the Government of Madras granted certain concessions to fish curers in order to encourage the fish curing industry on the West Coast. In May 1909 Sir F. A. Nicholson's deputation was extended for a further period of two years and he made a second tour to Europe, America and Japan. Certain new appointments were at

Investigation into the fisheries of the Madras Presidency.

the same time sanctioned to form the nucleus of a Fishery Bureau in Madras and an European expert was also engaged for a period of five years to conduct piscicultural experiments. The staff of the Fishery Department was further augmented in 1909 by the appointment, for five years in the first instance, of Mr. J. Hornell, an expert in Pearl fishery, who relieved the Port Officer of Tuticorin of the charge of the pearl banks and fisheries in the Madras Presidency. Under present sanctions Sir F. A. Nicholson will remain in charge of the Fishery Department until the end of July 1911.

Fishery Investigation in Bengal.

In 1906 the Government of Bengal placed Mr. K. G. Gupta on special duty to investigate the fisheries of Bengal. Mr. Gupta was also deputed during the period of his leave to visit Europe and America, and an expert with practical knowledge of the methods adopted in Europe and America was appointed. In accordance with a recommendation made by Mr. Gupta for the exploration of the deep sea fisheries of the Bay of Bengal, six English fishermen were engaged and a steam trawler, named the "Golden Crown", was purchased in England. Two Indian students were also deputed to Europe and America with the object of studying fisheries in those countries. The enquiry connected with the Bengal fisheries has been completed and the report of the Commissioner is now under the consideration of the Government of Bengal.

Rebate of duty on salt for fish curing in Bengal.

On the recommendation of the Government of Bengal, the Government of India sanctioned in February 1908 a rebate of the duty on salt to be used in fish curing by a company to be formed for the purpose of developing the sea-fishery industry of the Bay of Bengal. The Company was, however, not formed, but in 1909 the Government of India sanctioned the issue of duty-free salt for a period of 12 months to fishermen engaged in the fish-curing industry on the coasts of Bengal, and agreed that the cost of the preventive establishment required for the period should be borne by Government.

Application for a concession to work the fisheries on the coastal waters of the Andaman and Nicobar Islands.

In February 1909 Captain G. Phipps Spooner applied for the grant of a concession to work the fisheries on the coastal waters of the Andaman, Cocos and Nicobar Islands. After consulting the Superintendent of Port Blair, the Government of India informed Captain Spooner that they were unable to sanction the grant of any exclusive concession in respect of fishery rights, or to permit of the conduct of fishery operations within 100 miles of Port Blair, or of the establishment of any curing station elsewhere than in the North Andamans. As regards the working of the pearl fisheries the Government of India were prepared to consider the grant of a concession on the lines of the draft agreement which they forwarded. Captain Spooner was unable to accept the terms offered by the Government of India.

Weights and Measures.

Proposed introduction of a uniform system of weights and measures in the Madras Presidency.

In December 1905 the Madras Chamber of Commerce enquired whether there was any prospect of the Government of India reopening the question of prescribing a uniform system of weights and measures. The Chamber were of opinion that, while it might be impossible to secure uniformity of weights and measures throughout India, it might be possible to do so within the various presidencies and provinces. The Government of India expressed the fullest sympathy with the movement for the simplification and eventual unification of weights and measures throughout India, but stated that they did not propose to reopen the question at present, or to depart from the policy already

adopted. It was suggested, however, that if the Chamber considered that an attempt should be made to introduce a uniform system in the Madras Presidency, detailed proposals to that end might be submitted to the Government of Madras.

The Upper India Chamber of Commerce suggested that the use of marked weights and measures of distinctive design should be made compulsory in the buying and selling of precious stones and metals and articles made thereof in order to check fraudulent practices prevailing among native goldsmiths and silversmiths. The Government of India were unable to accept the suggestion, which was opposed by some of the other Chambers of Commerce, because the reasons which had hitherto led them to refrain from prescribing uniform weights and measures applied with equal force to the proposed measure and they also considered that it would not effect the object desired.

Proposal regarding the use of marked weights of distinctive design in the buying and selling of precious stones, metals and articles made thereof.

CHAPTER X.

PETROLEUM, EXPLOSIVES, CARBIDE OF CALCIUM, FACTORIES AND STEAM BOILERS.

Petroleum.

Consolidated petroleum rules.

It was found that the rules regulating the importation, possession and transport of petroleum—which must, under the Act, be made by the Provincial Governments—were in general unnecessarily strict and rigid, and differed so materially in certain respects from Province to Province that merchants were subjected to great inconvenience in arranging for the despatch and delivery of supplies of oil. It was decided, therefore, that, pending the amendment of the Act, an attempt should be made to place this question on a sounder footing by the issue of consolidated uniform rules, dealing with all questions relating to the petroleum traffic, and applicable to all Provinces and Administrations in India. An amended set of draft rules was accordingly drawn up by the Government of India, after careful examination of the existing Provincial rules and after ascertaining the views of the trade in the matter, and was circulated to Local Governments and Administrations for opinion. The replies received contained a number of important criticisms, all of which demanded close and careful examination. The rules and the proposals made for their modification were referred to an informal Committee, on which the principal Oil Companies were represented. The Committee carefully considered the draft rules in the light of the replies received, and made a number of suggestions for their amendment so as to meet the wishes of Local Governments and of the trade. Most of these suggestions were accepted by the Government of India, and the rules were finally issued on the 17th December 1908. They were adopted by Local Governments and brought into force shortly after. In the interests of the trade it was considered most desirable that a uniform code of rules should be in force throughout India, and the code which has been prescribed will, it is believed, be found to be practical and easily workable.

Prevention of the reduplication of petroleum licenses and fees in municipal and cantonment areas.

Another matter which attracted the attention of the Government of India was the reduplication of petroleum licenses in municipal and cantonment areas. It appeared that in several provinces it was usual for the municipal authorities to call upon dealers in petroleum to take out municipal licenses, in addition to those required by the Indian Petroleum Act and the rules framed thereunder. In such cases fees were sometimes twice levied, once under the Petroleum Act and again under the municipal enactments. The complexity of this procedure was resented by the trade, and objection was taken to the payment of double fees. The Government of India considered that these objections were well founded, and in July 1907 Local Governments and Administrations were asked to prepare and submit to the Government of India draft notifications under section 23 of the Indian Petroleum Act, limiting the operation of the various municipal and cantonment enactments, in so far as they related to the possession or transport of petroleum, to such quantities of petroleum as are outside the scope of the Indian Petroleum Act. These notifications were subsequently issued by the Government of India, and the regulation of the trade within the areas in question has now been properly provided for.

Reference has been made to the production of oil in Burma in the Chapter dealing with Geology and Minerals.

Explosives.

From the year 1900 the Chief Inspector of Explosives had the assistance of only one Inspector, but owing to the growth of work an additional officer became necessary. Not only had the number of magazines very greatly increased, but since 1904 the Chief Inspector had been charged with the duty of inspecting petroleum bulk oil installations, and had been constituted the expert adviser of the Government of India and the Local Governments in regard to all matters connected with petroleum. The employment of a second Inspector of Explosives was therefore sanctioned by the Secretary of State in July 1907 on the recommendation of the Government of India.

Appointment of a second Inspector of Explosives.

As it was represented that great inconvenience was caused to firms dealing in explosives, whose operations usually extend over several provinces, owing to the fact that they were required to refer to several separate sets of rules in the conduct of their business, the Government of India consolidated into a single set, applicable throughout British India, the rules regulating the manufacture, possession and sale of explosives. The draft consolidated rules were published for criticism in June 1905, and, after consideration of the suggestions made by the Local Governments and traders interested in the subject, the rules were finally issued on the 29th November 1906.

Consolidated rules to regulate the manufacture, possession and sale of explosives.

In November 1906, it was decided to republish the rules governing the transport and importation of explosives in order to admit of certain formal amendments and re-arrangements being made, designed with the object of bringing the rules into conformity with the revised consolidated rules governing the manufacture, possession and sale of explosives. Advantage was taken of this opportunity to cast into a more comprehensive form the rule regulating the importation of explosives into British India, and a new rule was added providing for the testing, in certain cases, of explosives imported by land. The rules for testing explosives were also modified in order to secure uniformity with the testing rules in force in England.

Revision of the rules regulating the transport, importation and testing of explosives.

The bomb outrages perpetrated in 1908 drew the attention of the Government of India to the necessity for exercising more stringent control over the possession and sale of explosives in this country. Reports had been received which showed that in the parts of India where mining is of importance, and where licenses for the possession of dynamite and other substances for blasting have necessarily to be freely granted, a large number of magazines had sprung up over which it was found that sufficient control was not being exercised. Magazines in which high explosives were stored were often inadequately guarded, and thefts, even of considerable quantities of explosives, had been occasionally reported. In order to remedy these defects, it was decided to carry out certain amendments in the rules issued under the Indian Explosives Act. The draft amendments were published for criticism in December 1908, and after consideration of the suggestions received from Local Governments and from other sources, the amendments which it was decided to make were finally issued on the 9th July 1910. The following are the principal changes introduced by the amendments :—

Amendment of the rules issued under the Indian Explosives Act. Steps taken to exercise more stringent control over the possession and sale of explosives in India.

- (a) The use of sulphur-chlorate mixtures in the manufacture of fireworks has been prohibited. The practical effect of this will be that the manufacture and possession of what are known as

“throw-down bombs,” except under a license granted by the Governor-General in Council, will be illegal.

- (b) The free licenses to contractors, cultivators or other persons, for the possession of not more than 100 lbs of gunpowder, 10 lbs. of other explosives and 100 detonators required for *bona fide* blasting purposes, will now be issued under the Explosives Act alone. This will avoid the confusion caused by the procedure formerly in force, according to which the possession of such explosives was governed not only by the Explosives Act and the rules made under it, but also by the Arms Act and the rules made under it.
- (c) All losses, shortage of stock or thefts of explosives from magazines and other licensed premises where high explosives are stored, must be reported without delay to the nearest police station.
- (d) In the case of magazines where large quantities of explosives are stored, it will be incumbent on the licensee to provide, for the safe custody of his magazine, a guard of such strength as the District Magistrate may consider to be sufficient.
- (e) The complications which arose from the fact that the transport of explosives was in certain cases governed by the rules issued under the Arms Act have been removed, and the transport of all explosives has been brought under the Explosives Act Rules.

In forwarding the amendments to Local Governments the Government of India took advantage of the opportunity to issue the following general instructions :—

- (i) That in the case of premises licensed for the possession of small quantities of explosives, in respect of which it would be impossible to insist on the provision of a guard, inspecting officers should be directed to see that the explosives are kept in substantially constructed buildings.
- (ii) That licenses for high explosives issued under the Explosives Act should bear the endorsement provided for by the Explosives Rules making the licenses valid under the Arms Act, so that the severer penalties prescribed by the latter Act might, if necessary, be made applicable to a breach of the conditions of a license.
- (iii) That District Magistrates and police officers should be impressed with the necessity for exercising fully the powers of inspection, search and seizure conferred upon them by the rules, particularly the powers of examining from time to time the registers of receipts and issues in magazines and licensed premises.
- (iv) That the attention of all officials in charge of Government magazines, to which the Explosives Act and the rules thereunder do not apply, should be drawn to the necessity of safeguarding them in order to prevent theft, and that certificates should be furnished annually by such officials, to the authority prescribed by the Local Government, stating that the magazines are in good condition and properly guarded.

As regards magazines in charge of railway officials, the Railway Department was asked to call the attention of Railway Administrations to the provisions which require a proper guard to be kept for the safe custody of magazines, and to the danger involved in the issue to contractors of larger quantities of explosives than are required for the particular work in hand.

No return has hitherto been supplied to the Government of India by Local Governments in connection with the administration of the Explosives Act, although annual returns, drawn up on no uniform basis, are prepared in some Provinces for provincial use. Local Governments have now been asked to submit annually, on or before the 1st of April, a return in a prescribed form showing the number of licenses in force in the different provinces and the amount of inspection which is carried out by local officers. Copies of the return will be forwarded to the Army Department and to General Officers Commanding Divisions, and it has been directed that, if in any year thefts of explosives from magazines or licensed premises have been of frequent occurrence or major importance, a report on such thefts should accompany the annual return, together with the opinion of the Local Government concerned as to whether the regulations which have been framed for the efficient protection of magazines and licensed premises have been strictly followed. In addition to the return mentioned above, Local Governments have been asked to furnish to the military authorities a return in a prescribed form showing the quantity of high explosives actually in stock on the 31st of December in each year.

Annual return in connection with the administration of the Explosives Act.

Carbide of Calcium.

It was found that the diversity of local rules regulating the possession of carbide of calcium involved needless correspondence with Local Governments and was ill-suited to the requirements of firms engaged in the trade. In 1906, therefore, the rules were consolidated and made uniform throughout British India, their stringency being at the same time relaxed wherever this could be done with due regard to the safety of the public. It was decided that in the interests of uniformity no additions or alterations in the rules should be sanctioned save in very exceptional circumstances and under the orders of the Government of India.

Consolidated Carbide of Calcium rules.

Factories.

The conditions of labour in the Bombay Cotton Mills had for some years attracted considerable attention. In 1898 the Chief Inspector of Factories, Bombay, sounded a note of warning as to the probable effects of the introduction into the mills of a system of electric lighting. He pointed out that as a result of this system, longer hours of work would probably be resorted to generally and that the operatives would be systematically overworked but before any action on the part of Government became necessary, economic conditions had changed and mill-owners were compelled to reduce the hours of labour. In June 1905 the Collector of Bombay in again drawing attention to this matter observed that the prosperous state of the mill industry and the extension of the system of lighting mills by electricity had resulted in a reversion to the former conditions. The Government of Bombay instituted inquiries into the matter and the Millowners' Association was consulted. In the meantime the subject had aroused considerable general interest. In August 1905 the Millowners'

Conditions of labour in Indian Mills.

Association had passed a Resolution in favour of an average 12 hours' day, but failed, if it ever made the attempt, to secure compliance from its own members. On the 13th September an article appeared in the "*Times of India*" which focussed public attention on the question. It attracted notice in England and His Majesty's Secretary of State called for a report on the subject. In December 1905 the Government of Bombay submitted a report on its inquiries, and in forwarding it to the Secretary of State the Government of India expressed their views on the three questions raised, *viz.*:—

- (i) the advisability of restricting, by legislation, the hours of labour of adult males ;
- (ii) the question whether the conditions, under which women are at present employed in textile factories are satisfactory, and whether further legislation is necessary in order adequately to protect this class of workers ;
- (iii) the alleged defects in the present law and practice regarding the employment of children, and the desirability of amending the law in order to require certificates of physical fitness before children can be legally engaged as factory workers, or before persons under the age of 16 can be permitted to labour as adults.

Before discussing these questions, the Government of India pointed out that the report of the Local Government afforded an inadequate basis for the formation of a final opinion on the subject; that the article in the "*Times of India*", though generally correct, was based on incomplete information and gave an exaggerated view of existing abuses; and that the question was no longer acute, as the operatives held a strong position owing to the prosperity of the mills and had forced a 13 hours' working day on employers. On the questions at issue the Government of India expressed the following opinions, taking them in the order mentioned above :—

- (i) In the conditions then existing the necessity for legislation in regard to the hours of adult labour had not been established. The Factory Commission of 1890 considered such legislation unnecessary and it was believed that opinion in India was opposed to it. Most employers were against it and operatives would probably resent interference with their earnings. The conditions in India and England were entirely dissimilar and English standards could not therefore be applied. On the information before them they thought that the question was one for settlement between employers and employed, but Local Governments were being consulted as to whether any serious abuses existed; and, if so, whether they could be satisfactorily remedied under the existing law.
- (ii) No serious abuses existed in connection with the employment of women, who did light work and enjoyed frequent intervals of rest.
- (iii) The existing law as regards the employment of children had been systematically evaded in Bombay by employers and employed alike, the principal evils being personation and employment in double shifts under different names. Instructions had been issued to

Local Governments which would check personation, but an amendment to the existing law, requiring certificates of age and physical fitness before children could be employed, was probably desirable. Local Governments and Administrations would be consulted and the views of employers and employed ascertained before an amendment was introduced into the Act. An alteration in the present limits of age for the employment of young persons was not considered necessary.

In their report the Government of Bombay suggested the appointment of a Committee to examine the labour question generally. The Government of India informed the Secretary of State that they considered this unnecessary and inadvisable at that time, as it would have a disorganising effect on employers and employed, but that a final decision had been deferred until replies were received from the Local Governments as to whether serious abuses did in fact exist. In conclusion the Government of India stated that the irregularities brought to light were in their opinion due in a large measure to the inadequacy of inspecting establishments and that the Local Governments had been consulted on this point also.

While the replies of Local Governments were under consideration, the Secretary of State suggested the desirability of sending out an experienced English Factory Inspector to examine the actual facts. The Government of India accepted the proposal and a small Committee, with Sir Hamilton Freer-Smith, an English Factory expert, as President, was appointed in December 1906 to enquire into the conditions of labour in textile factories in this country. The specific points referred for the consideration of the Committee were, (1) whether the working hours of adult males should be limited, and whether the physique of operatives is affected by the hours which are sometimes worked in India ; (2) whether, before children are allowed to work in factories, certificates of age and physical fitness should be required ; (3) whether the minimum age for the employment of children should be raised beyond nine years ; (4) whether, as the result of employment as adults of persons between the ages of 12 and 14, there has been physical deterioration requiring the creation by law of a special class of workers known as " young persons " ; and (5) whether a separate staff of Medical Factory Inspectors should be entertained. This enquiry was to be of a preliminary character ; and it was announced that, should the investigations of the Committee establish the existence of serious abuses, a representative Commission would be appointed to consider the whole subject comprehensively before any radical changes in the factory law were made.

The Committee, whose report was published in June 1907, strongly recommended alterations in the law, in respect of several of the matters referred to them, and more particularly pressed for a limitation of the hours of adult male labour to twelve. In accordance with the promise above referred to a representative Commission was appointed in October 1907 to investigate, in respect of all factories in India, the questions referred to Sir H. Freer-Smith's Committee and the various suggestions and recommendations which that Committee had made. The Commission started work at Bombay on the 1st November 1907. Their report was published in July 1908, and the opinions of Local Governments and public bodies were invited with reference to the suggestions contained in it. These opinions were most carefully examined, and a Bill to

give effect to the decisions finally arrived at was, with the sanction of the Secretary of State, introduced in Council on the 30th July 1909. A Bill to amend the Factories Act in certain minor matters, which had been introduced in Council on the 29th September 1905, was at the same time withdrawn. The most notable feature of the Bill now before Council is a provision for the restriction to twelve a day of the hours of adult labour in textile factories. The Bill also contains provisions intended to prevent the abuses of child labour, the existence of which had been proved by the Commission's report, and provides for other modifications of procedure with the object of preventing evasion of the law and of ensuring its better enforcement throughout the country.

Amalgamation of the factory and boiler inspection establishments in the different provinces and strengthening of the present factory inspection staff.

The question of the most suitable arrangements for the efficient inspection of factories and boilers in India has been under consideration for some time past. In some provinces, factory inspections are undertaken by a staff of Inspectors specially appointed for this purpose, while in others the work is entrusted to District Magistrates and Civil Surgeons. Boiler inspections are usually conducted by an entirely separate establishment. It was considered that this system led to a waste of time and power; and, with a view to securing greater economy and efficiency, it was suggested to the Local Governments in 1906 that the factory and boiler inspection establishments should be amalgamated wherever possible. After consideration of the replies received, it was decided that, while the amalgamation proposed would undoubtedly be advantageous in the smaller provinces where factories and boilers are scattered and comparatively few in number, the same result would not be achieved to any appreciable extent in the larger provinces where factories and boilers are numerous, and the inspection work is concentrated in a limited area. For this reason, it was not considered desirable to insist upon amalgamation in Bengal and Bombay, though arrangements have been made in the latter province whereby the factory and boiler inspection establishments will assist each other to a limited extent. Since the issue of these orders attention has been again called to the subject by the report of the Factory Commission, which emphasised the necessity of having a thoroughly capable staff of Factory Inspectors, and it is probable that a separation of the duties of factory and boiler inspection will have to be generally adopted in order to ensure that adequate attention is paid to factory working.

In communicating his sanction to the appointment of the Factory Commission, the Secretary of State expressed his desire that early measures should be taken, in anticipation of the Commission's enquiry, to prevent neglect or violation of the existing factory law and regulations, and to strengthen the inspection staff. Local Governments were accordingly requested to take early steps to comply with the wishes of the Secretary of State, and to submit proposals for increasing the inspection staff, if such increase was considered necessary. As a result the inspection staff has been temporarily increased in several provinces, but permanent arrangements cannot be made until a decision is arrived at on the proposals of the Factory Commission regarding the number, pay, qualifications, etc., of factory inspectors throughout India.

International Convention restricting night work for women in industrial employment.

In January 1907, the Secretary of State forwarded a copy of the Berne International Convention restricting night work for women in industrial employment, and asked for the views of the Government of India on the question

of India's adhesion. The matter was fully considered and the Secretary of State was informed that it was unnecessary and undesirable for India to adhere to the Convention, for the following reasons :—

- (1) the provisions of the Convention were designed almost exclusively to meet the conditions obtaining in Europe—where industry was highly organised and the population of each State more or less homogeneous—, and their application to India would be difficult, if not impossible, in view of the entirely different conditions that prevailed in this country ;
- (2) no material advantages would be gained by our adhesion, while such a step would cause us direct and immediate embarrassment ;
- (3) our adhesion was not necessitated by considerations of a humanitarian character ; and
- (4) the acceptance of the Convention would necessitate a complete recasting of Indian industrial legislation. It would be necessary to reduce the limit of persons employed in a factory to ten, and mines and quarries would also be affected. These amendments were in themselves so radical that they could not be adopted unless very strong reasons were adduced in favour of that course.

In the Factory Bill at present before the Legislative Council it has, however, been found possible to give effect to the recommendations of the Convention in so far as factory workers are concerned, and at the instance of the Factory Commission considerable restrictions have been placed upon the employment of women at night.

Steam Boilers.

A Bill to provide for the periodical inspection of steam-boilers and prime-movers in the Central Provinces was introduced in the Council of the Governor-General on the 14th December 1906. Legislation in this matter had been rendered necessary by the rapid growth in the number of steam-boilers in the Central Provinces, due to industrial expansion, and the consequent danger of the importation of unsafe and second-hand boilers, owing to the absence of any legal provision for their licensing and inspection by competent authority, or for their management by properly qualified Engineers. The Bill was modelled on the lines of the Bombay Boiler Inspection Act, 1891, and was passed into law on the 1st March 1907.

Central Provinces
Steam Boilers Bill.

In July 1908, proposals were submitted by the Government of Bombay for strengthening the staff of Inspectors of Steam-Boilers in that Presidency. The principal recommendations made by the Local Government were as follows :—

Strengthening of
the staff of Inspectors
of Steam-Boilers
in the Bombay Presidency.

- (1) That a Chief Inspector of Steam-Boilers should be appointed on a salary of Rs. 1,000—100—1,500 a month.
- (2) That the existing appointment of Senior Inspector on Rs. 650 a month should be abolished.

- (3) That two appointments of Inspectors on Rs. 450—10—500 and Rs. 250—10—300 a month, respectively, should be created.

These proposals which were approved by the Government of India, received the Secretary of State's sanction in October 1908. The appointment of Chief Inspector, has been filled by an officer recruited from England.

CHAPTER XI.

SUPPLY OF GOVERNMENT STORES.

Towards the close of Lord Curzon's administration a petition was presented by the Engineering and Iron Trades Association, which raised the general question of the system to be adopted in future for the supply of Government stores. The Association had the sympathy of the Government of India, who desired to afford all reasonable facilities and to offer all possible encouragement to manufacturers who have started or desire to start factories in India. In view of the importance of the subject and of the great complexity of the details the Government of India decided to refer the examination of the matter to a travelling committee, which should visit such places as it might consider desirable and afford every facility to representatives of Indian firms to place their views before the Committee. A Committee was accordingly appointed in February 1906 consisting of :—

Mr. W. Macdonald, Superintending Engineer, Punjab	...	<i>President.</i>
Major J. H. S. Murray, R.E., Garrison Engineer, Secunderabad	...	<i>Member.</i>
Mr. S. A. J. Keatinge, Storekeeper, Oudh and Rohilkhand Railway	..	
Mr. M. M. S. Gubbay, I.C.S.	... ..	<i>Secretary.</i>

In July 1906 the Committee submitted their recommendations which may be summarised as follows :—

The Committee were of opinion that the rules prescribed for the purchase of stores should contain a clear indication of the desire of Government that preference should be given to articles of Indian manufacture, when in respect of quality and price they do not differ materially from articles of European manufacture. As a means of testing rates offered by Indian and English firms, the Committee proposed that simultaneous tenders for delivery in India should be invited both in England and in India in the case of standardised articles for which specifications are available at the India Office and in India. In the case of other articles a comparison should be made with the cost, as shewn in Rate Lists, of the imported article delivered in India. The existing Rate Lists should be amplified and extended to cover the transactions of all consuming departments. They should be issued promptly every quarter and their compilation should be entrusted to a special agency. They should contain full and detailed information as to the freight, insurance, landing, customs and other charges paid or payable on each article procured through the Store Department. As regards the purchase in India of articles of European manufacture, the Committee suggested considerable modifications in the present rules in the direction of facilitating such purchases. In particular they strongly recommended that the rules should permit of the supply by large contractors of English stores required in the structure of works let out on contract.

In addition to their suggestions regarding the modifications which should be made in the rules, the Committee recommended the organization of a special inspecting staff. They made proposals to secure the dissemination of information regarding the resources of Indian firms and manufacturers, and they deprecated the creation of store depôts except on a very limited scale. Finally, they

Appointment of the
Stores Committee.

Recommendations
of the Stores Com-
mittee.

did not advocate the introduction of any special measure to enforce the exclusion from indents of demands for articles which could be obtained of local manufacture.

These recommendations met with the general approval of the Government of India subject to a reservation on two points. They did not accept the proposal of the Committee to call for simultaneous tenders both in England and in India. Nor did they agree with the Committee in rejecting the proposed adoption of special measures to enforce compliance with the rules prescribing the purchase of locally manufactured articles; they decided that copies of all indents should be forwarded to them for scrutiny in the Imperial Secretariat in order to secure the exclusion from them of requisitions for articles which Indian manufacturers can supply. The views of the Government of India were laid before the Secretary of State in their despatch of the 16th May 1907. An intermediate reply was received from the Secretary of State in November 1907 forwarding the criticisms on the Committee's Report of the Director-General of Stores and of the Consulting Engineer of the India Office. These criticisms were fully dealt with in the despatch of the Government of India, dated the 26th March 1908, and the final decision of the Secretary of State was conveyed in his despatch of the 13th November 1908.

Revision of the
Store Rules.

The orders of the Secretary of State in respect of the purchase of articles manufactured in India from Indian materials or from imported materials practically follow the recommendations of the Committee. A relaxation has also been permitted in regard to local purchases of articles of European manufacture. It will now be permissible within the money limits laid down, to purchase such articles, not only as hitherto, in cases of urgency, but also when owing to greater promptitude of supply economy will be effected. In the case of important construction works, subject to certain conditions, the supply of English stores required for such works may be included in contracts let to Indian firms of standing. The rules as finally settled by the Secretary of State were promulgated on the 14th July 1909.

The modifications in the former procedure are, however, by the express orders of the Secretary of State, to be in the first instance experimental and subject to revision; and certain safeguards, in the form of periodical reports on the quality and price of purchases effected in India, have been prescribed.

Rate Lists and
Catalogue of Indian
manufactures.

The Director-General of Commercial Intelligence is undertaking the compilation of the amplified Rate Lists above referred to on the lines proposed by the Committee, but their issue is awaiting the settlement of some minor points in regard to which further information has been called for by the Secretary of State. A catalogue of Indian manufactures has also been prepared by that officer with a view to disseminate information amongst consuming departments as to the resources of Indian manufacturers.

Inspecting staff.

As regards the organisation of a special inspecting staff for the purpose of testing and passing stores purchased in India, it has been settled, with the approval of the Secretary of State, that the classes of articles which are to be tested and inspected should, for the present at any rate, be confined to manufactures of iron and steel; and that the inspecting staff already constituted by the Railway Board at Calcutta and Bombay to deal with the purchases by State Railways of such stores, should also undertake the inspection of stores for

the Military Works Services and the Public Works Department. The requirements of the Ordnance Department in this respect are to be arranged for by officers of that Department. No special provision has, for the present, been considered necessary for chemical tests which should be undertaken by Chemical Examiners under Local Governments; but as regards mechanical tests it has been decided that a laboratory should be established at Calcutta to provide facilities for such tests.

The following minor measures of decentralisation were also sanctioned. Direct purchase of stores for experimental or research purposes. With the approval of the Secretary of State the direct purchase from foreign countries of stores required for experimental or research purposes was permitted and selected officers under Local Governments and the Government of India Direct transmission of indents. were authorised to transmit their indents for European stores direct to the Director-General of Stores. Local Governments and Departments of the Government of India were also empowered to delegate their powers regarding the purchase of books, newspapers and other periodicals: and the system, under Rules for the supply of books, newspapers and other periodicals. which books, newspapers and periodicals have hitherto been supplied through the agency of Stationery Office, has been discontinued in favour of direct purchase from agents or publishers.

CHAPTER XII.

GENERAL, INVENTIONS AND DESIGNS AND STATIONERY AND PRINTING.

General.

Secretariat Establishment.

When the formation of the Department of Commerce and Industry was under consideration, the opinion was expressed that a Secretary and one Under Secretary would be sufficient to afford all the necessary assistance to the Member in charge. Eleven months' experience of the work of the Department, however, shewed that it was impossible for one Under Secretary to manage the work properly, and in May 1906 the appointment of a second Under Secretary was sanctioned by the Secretary of State.

Increase of pay of the Secretary in the Department of Commerce and Industry.

The pay of the Secretary in the Department of Commerce and Industry which had on the constitution of the Department been fixed at Rs. 3,000 a month was, with the sanction of the Secretary of State, raised to Rs. 4,000 a month with effect from the 31st March 1907.

Inventions and Designs.

Confirmation of Mr. H. G. Graves as Patents Secretary.

Mr. H. G. Graves, whose services had been obtained from the British Patent Office in 1904, was confirmed in his appointment as Patents Secretary on the 11th November 1907 on a salary of Rs. 1,400, rising by biennial increments of Rs. 100 to Rs. 1,800 a month.

The Indian Patents and Designs Bill.

The volume of Patents work has steadily increased in recent years. In 1909 the number of applications for the protection of inventions and designs was 695 and 51, respectively, as compared with 586 and 15 in 1905. The Act regulating the grant of exclusive privileges which was passed in 1888 had been found to be antiquated and cumbrous, and the question of its revision on the lines of the United Kingdom Act of 1907, so as to meet the requirements of inventors in this country, was taken up. A draft Bill was accordingly prepared and, after submission for criticism to Local Governments, Patent Agents and others interested, was forwarded for the Secretary of State's sanction. The sanction was received in due course and the Bill was introduced in the Legislative Council on the 23rd March 1910.

Stationery and Printing.

Strike in the Government Central Press, Calcutta.

For about two months from the last week of September 1905 the Government Central Press in Calcutta was seriously disturbed by a strike of the Bengali printers who fancied they had grievances particularly in the matter of their treatment by the superintending officers of the Press. It was found necessary to dismiss several of the ringleaders, but enquiries showed that certain modifications were desirable and practicable in some of the rules and conditions under which the Press employés worked. These having been settled by the Honourable Mr. Hewett, who personally investigated the whole working of the Press, the men resumed work on the 16th November.

Supply of stationery and typewriters.

In a Resolution in this Department No. 1262-1307, dated the 6th February 1908, the following measures of decentralization were ordered in connection with the supply of stationery and typewriters:—

- (a) Local Governments were authorised to delegate to any of their subordinate officers, whom they might select, the power to sanction

petty local purchases of stationery (including rubber stamps), up to a limit of Rs. 20 in each case.

- (b) The power to sanction the supply of typewriters from the Stationery Department was extended to Heads of Departments, Commissioners of Divisions and other officers above the rank of Collector to whom the power might be delegated by the Local Government.

It is probable that modern type-setting and casting machines will eventually replace to a large extent the hand composition which is largely employed in the Government Presses. The increased use of machinery will not only conduce to greater economy but will also do much to meet the labour difficulties which seem to be inseparable from the employment of compositors in India. A series of trials had been made with Linotype machines installed in the Government Central Press at Calcutta; but it was found that these machines were not suitable for the work done in the Government Presses. It was then decided, as an experimental measure, to give the Monotype machine a trial and one such machine was obtained from England in the beginning of the year 1904 and installed at Simla. In September 1904, the installation was extended by the addition of three more machines and four key-boards, and in 1906 sixteen additional Monotype machines were obtained from England and set up in the Government Central Press, Calcutta. Eight of these were subsequently transferred to Simla in 1908.

Press Machinery.

The Linotype machine was given another trial for six months in 1907, and mainly owing to the improvements made in the machine since its first trial, the results achieved were satisfactory. The three machines on trial at the Government Central Press, Calcutta, were accordingly retained and three others were purchased.

On the determination of the contract for the printing of Government stock forms, which had been held by Messrs. G. W. Allen & Co. since the 1st February 1889, a new contract was entered into with Messrs. Gulab Singh & Sons of Lahore, for ten years with effect from the 11th April 1908. It was estimated that the new arrangement would result in a saving of nearly a lakh of rupees annually. The Controller of Printing, Stationery and Stamps, however, reported in March 1910 that the terms of the contract were such that the contractors were unable to execute the contract without incurring considerable loss, and that he anticipated a possible cessation of work if the rates were not revised. In order to prevent the inconvenience to Government which this would involve, certain concessions were granted to the Contractors from the 1st April 1910, which, it is estimated, will cost about Rs. 54,000 a year.

Stock Forms.

The rapid increase in the expenditure on Printing and Stationery had been engaging the attention of Government for some time, and in June 1909 the Controller was asked to submit a report on the causes which had led to this increase. At the same time his grant was reduced, and he was requested to scrutinise all demands for stationery and typewriters and to reduce such demands as might appear to him excessive. It was also suggested to Local Governments (except Bombay and Madras who have stationery offices of their own) that they might communicate authority to the Controller enabling that officer to apply a check in regard to provincial indents submitted to him. In August 1909, the Controller submitted a Note on the increase of expenditure on

Reduction of expenditure on Printing and Stationery.

Printing and Stationery. He analysed the expenditure, pointed out the directions in which increases had occurred, and made suggestions for reducing the expenditure in future. The principal measures from which a saving in expenditure is anticipated consist in the standardization of forms and the fixation of money allotments for Stationery.

Standardization of Forms.

Prior to the receipt of the Controller's report, the attention of the Government of India had been drawn to the large expenditure incurred on account of printing forms in use in the offices of the Government of India. The two classes of forms used are "Stock Forms" and "Special Forms". The former are printed off in large numbers and the type is kept standing, but in the case of the latter the type has to be set up afresh for each requisition, and the expenditure involved is therefore considerably increased. As it was found that a very large number of requisitions were made for "Special Forms", it was ordered that an examination should be made of all the forms of either kind used in the Departments of the Government of India and in the offices subordinate thereto, with a view to deciding which of them could be abolished, and which retained as "Stock Forms". When this examination was completed, a Committee of Secretariat Officers was appointed in May 1910 to deal finally with the question of the standardization of forms in use in the Imperial Secretariats. The deliberations of the Committee resulted in a very large reduction in the number of forms, and it is anticipated that a considerable saving in expenditure will ensue. No additions to, or alterations in, the Standard Forms will be allowed for one year after they come into use, and additions to the list of Special Forms will only be allowed under the orders of officers of or above the rank of Assistant Secretary.

Fixed money allotments for stationery.

With a view to bringing the expenditure on stationery under more direct financial control, it has recently been suggested to Local Governments and Administrations (except Bombay and Madras), that in future they should grant to each Head of a Department or Commissioner who consolidates and checks individual stationery indents, a money allotment for the stationery requirements of his own and subordinate offices. By this means a direct incentive will be furnished to the local officers to keep their expenditure on stationery within proper bounds, and a method of control which experience has shown to be eminently desirable will be supplied.

In addition to these proposals, various minor changes have been made, which are calculated in the aggregate to effect a considerable saving in expenditure.

**PRESIDENT'S
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